

SECTION I: DESCRIPTION OF ITEMS PUBLIC

USPS-FY20-1

This folder is entitled: USPS-FY20-1, Public Cost and Revenue Analysis (PCRA) Report.

USPS-FY20-1, Public Cost and Revenue Analysis (PCRA) report displays revenues, attributable costs, volume variable costs, unit contribution, cost coverages, volumes, and weights for each of the Postal Service's Market Dominant products. For Competitive products, the report displays summary information.

Predecessor Document

Docket No. ACR2019, USPS-FY19-1

Corresponding Non-Public Document

USPS-FY20-NP11, FY 2020 Non-Public Cost and Revenue Analysis (NPCRA) Report

Folders used as inputs to USPS-FY20-1

Folder Number	Data/Information Used
USPS-FY20-31	CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)
USPS-FY20-43	Market Dominant Product Incremental Costs
USPS-FY20-NP2	International Cost and Revenue Analysis (ICRA) Report
USPS-FY20-NP11	Non-Public Cost and Revenue Analysis (NPCRA) Report

Folders utilizing outputs from USPS-FY20-1

Folder Number	Data/Information Provided
USPS-FY20-13	Marketing Mail and Periodicals Destination Entry Cost Models
USPS-FY20-15	Bound Printed Matter Mail Processing Cost Model and Media Mail – Library Mail Mail Processing Cost Model
USPS-FY20-16	Bound Printed Matter Transportation Cost Model and Bulk Parcel Return Service Cost Model
USPS-FY20-28	Special Services Public Cost Studies
USPS-FY20-30	Market Dominant NSA Materials
USPS-FY20-39	Competitive Products Fund Reporting Materials

USPS-FY20-9

USPS-FY20-43	Market Dominant Product Incremental Costs
USPS-FY20-45	Flats Material Pursuant to Rule 3050.50
USPS-FY20-NP26	Special Services Non-Public Cost Studies

USPS-FY20-2

This folder is entitled: USPS-FY20-2, Public Cost Segments and Components Report.

USPS-FY20-2 is an output ("C" report) of the public Cost and Revenue Analysis (CRA) Model (USPS-FY20-31) that displays the volume variable and product specific costs by cost segment and component for domestic Market Dominant products and for domestic Competitive and International products in aggregate. There are 17 cost segments, including Postmasters, Supervisors, Clerks and Mail Handlers, City Carrier In-Office Activities, City Carrier Street Activities, Rural Carriers, and Purchased Transportation.

Predecessor Document

Docket No. ACR2019, USPS-FY19-2.

Corresponding Non-Public Document

USPS-FY20-NP12, Non-Public Cost Segments and Components Report.

Folders used as inputs to USPS-FY20-2

Folder Number	Data/Information Used
USPS-FY20-31	CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)

Folders utilizing outputs from USPS-FY20-2

Folder Number	Data/Information Provided
USPS-FY20-27	Nonprofit Mail Cost Approximations
USPS-FY20-28	Special Services Public Cost Studies
USPS-FY20-45	Flats Material Pursuant to Rule 3050.50

USPS-FY20-3

This folder is entitled: USPS-FY20-3, Worksharing Discounts.

USPS-FY20-3 reports worksharing discounts, cost avoidances, and passthroughs for Market Dominant products.

Predecessor Document

Docket No. ACR2019, USPS-FY19-3.

Annual Compliance Determination FY 2019 Chapter 2 (March 25, 2020).

Corresponding Non-Public Document

There is no corresponding non-public document.

Folders used as inputs to USPS-FY20-3

Folder Number	Data/Information Used
USPS-FY20-10	Special Cost Studies Workpapers Letter Cost Models (First-Class and Marketing Mail)
USPS-FY20-11	Special Cost Studies Workpapers Flat Cost Models (First-Class and Marketing Mail) & Periodicals Cost Model
USPS-FY20-12	Marketing Mail Parcel Mail Processing Cost Model
USPS-FY20-13	Marketing Mail and Periodicals Destination Entry Cost Models
USPS-FY20-15	Bound Printed Matter Mail Processing Cost Model and Media Mail – Library Mail Mail Processing Cost Model
USPS-FY20-18	Carrier Route Mail Processing Unit Costs
USPS-FY20-19	Delivery Costs by Shape
USPS-FY20-21	Business Reply Mail Cost Model

USPS-FY20-4

This folder is entitled: USPS-FY20-4, Domestic Market Dominant Billing Determinants.

USPS-FY20-4 contains the Postal Service Billing Determinants for domestic Market Dominant products and the distribution of the Market Dominant fees by classes. Billing Determinants provide specific information regarding revenue and volume of postal products and services.

Predecessor Document

Docket No. ACR2019, USPS-FY19-4.

Corresponding Non-Public Document

USPS-FY20-NP1, Domestic Competitive Billing Determinants.

Folders utilizing outputs from USPS-FY20-4

Folder Number	Data/Information Provided
USPS-FY20-10	Special Cost Studies Workpapers Letter Cost Models (First-Class and Marketing Mail)
USPS-FY20-11	Special Cost Studies Workpapers Flat Cost Models (First-Class and Marketing Mail) & Periodicals Cost Model
USPS-FY20-12	Marketing Mail Parcel Mail Processing Cost Model
USPS-FY20-13	Marketing Mail and Periodicals Destination Entry Cost Models
USPS-FY20-15	Bound Printed Matter Mail Processing Cost Model and Media Mail – Library Mail Mail Processing Cost Model
USPS-FY20-16	Bound Printed Matter Transportation Cost Model and Bulk Parcel Return Service Cost Model
USPS-FY20-17	Annual Report
USPS-FY20-45	Flats Material Pursuant to Rule 3050.50

USPS-FY20-5

This folder is entitled: USPS-FY20-5, Cost Segments and Components Reconciliation to Financial Statements and Account Reallocations (Public Version).

The Cost Segments and Components Reconciliation to Financial Statements and Account Reallocations (Public Version) is an Excel workbook that adjusts amounts reflected in the September general ledger for year-end audit adjustments. This results in amounts that underlie the September 30 year-end financial statements. This workbook also reallocates year-end labor contract and performance award accruals back to the appropriate labor sub-account and breaks out cost component expenses not available directly from a general ledger account but obtained from another source such as a unique finance number or a subsidiary reporting system. Because this workbook is intended for public distribution, certain account information that pertains to competitive products has been redacted.

Predecessor Document

Docket No. ACR2019, USPS-FY19-5.

Corresponding Non-Public Document

USPS-FY20-NP29, Cost Segments and Components Reconciliation to Financial Statements and Account Reallocations (Non-Public Version).

Folders utilizing outputs from USPS-FY20-5

Folder Number	Data/Information Provided
USPS-FY20-31	CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)
USPS-FY20-NP13	CRA Model (Model Files, Cost Matrices, and Reports) (Non-Public Version)

USPS-FY20-6

This folder is entitled: USPS-FY20-6, General Classification of Accounts.

USPS-FY20-6, General Classification of Accounts, identifies the different types of General Ledger accounts, lists the account numbers, and provides a brief description of each account. It is provided as general background information of a type specifically sought previously, but is not otherwise directly relied upon by the Postal Service in this filing.

Predecessor Document

Docket No. ACR2019, USPS-FY19-6.

Corresponding Non-Public Document

There is no corresponding non-public document.

Since USPS-FY20-6 merely lists and describes accounts, while containing no actual account data, it neither relies on inputs from any other items in this docket, nor generates outputs which are used as inputs to any other items in this docket.

USPS-FY20-7

This folder is entitled: USPS-FY20-7, Cost Segment 3 Cost Pools and Other Related Information (Public Version).

USPS-FY20-7 provides estimates of volume variable costs by Market Dominant product and other related data for Cost Segment (CS) 3.

Predecessor Document

Docket No. ACR2019, USPS-FY19-7.

Corresponding Non-Public Document

USPS-FY20-NP18, Cost Segment 3 Cost Pools and Other Related Information (Non-Public Version).

Folders used as inputs to USPS-FY20-7

Folder Number	Data/Information Used
USPS-FY20-5	Cost Segment and Components Reconciliation to Financial Statements and Account Reallocations (Public Version)
USPS-FY20-23	MODS Productivity Data
USPS-FY20-37	In-Office Cost System (IOCS) Documentation (Public Version)
USPS-FY20-NP2	International Cost and Revenue Analysis (ICRA) Report

Folders utilizing outputs from USPS-FY20-7

Folder Number	Data/Information Provided
USPS-FY20-2	Public Cost Segments and Components Report
USPS-FY20-8	Equipment and Facility Related Costs
USPS-FY20-10	Special Cost Studies Workpapers Letter Cost Models (First-Class and Marketing Mail)
USPS-FY20-11	Special Cost Studies Workpapers Flat Cost Models (First-Class and Marketing Mail) & Periodicals Cost Model
USPS-FY20-12	Marketing Mail Parcel Mail Processing Cost Model
USPS-FY20-13	Marketing Mail and Periodicals Destination Entry Cost Models
USPS-FY20-15	Bound Printed Matter Mail Processing Cost Model and Media Mail – Library Mail Mail Processing Cost Model
USPS-FY20-21	Business Reply Mail Cost Model

USPS-FY20-9

USPS-FY20-25	Mail Processing Piggyback Factors (Operation Specific)
USPS-FY20-26	Mail Processing Costs by Shape (Public Version)
USPS-FY20-28	Special Services Public Cost Studies
USPS-FY20-31	CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)
USPS-FY20-32	CRA "B" Workpapers (Public Version)
USPS-FY20-45	Flats Material Pursuant to Rule 3050.50

USPS-FY20-8

This folder is entitled: USPS-FY20-8, Equipment and Facility Related Costs.

This document is used to develop data inputs that support other Annual Compliance Report (ACR) documents. There are three separate analyses contained in this document: an equipment analysis, a scanner analysis, and a facility analysis.

Predecessor Document

The predecessor document for the equipment analysis and scanner analysis was presented in Docket No. ACR2019, USPS-FY19-8.

The predecessor document for the facility analysis was presented in Docket No. RM2020-1, Proposal Nine, which was approved by the Commission in Order No. 5637 (August 17, 2020).

Corresponding Non-Public Document

There is no corresponding non-public document.

Folders used as inputs to USPS-FY20-8

Folder Number	Data/Information Used
USPS-FY20-4	Domestic Market Dominant Billing Determinants
USPS-FY20-5	Cost Segment and Components Reconciliation to Financial Statements and Account Reallocations (Public Version)
USPS-FY20-7	Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY20-28	Special Services Public Cost Studies

Folders utilizing outputs from USPS-FY20-8

Folder Number	Data/Information Provided
USPS-FY20-25	Mail Processing Piggyback Factors (Operation Specific)
USPS-FY20-31	CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)
USPS-FY20-NP13	CRA Model (Model Files, Cost Matrices, and Reports) (Non-Public Version)

USPS-FY20-9

This folder is entitled: USPS-FY20-9, ACR Roadmap Document.

The purpose of this roadmap to the Postal Service's Annual Compliance Report is to present the subject matter of each ACR folder, explain the interrelationship between the folders, and to describe changes in technical methodologies.

The ACR Roadmap Document contains a brief description of each of the public and non-public folders as well as the flow of inputs and outputs between folders. It also includes a discussion of any methodology changes.

Predecessor Document

Docket No. ACR2019, USPS-FY19-9.

Corresponding Non-Public Document

There is no corresponding non-public document.

USPS-FY20-10

This folder is entitled: USPS-FY20-10, Special Cost Studies Workpapers Letter Cost Models (First-Class and Marketing Mail).

USPS-FY20-10 documents the First-Class Mail presort letters and cards mail-processing unit cost estimates and worksharing-related savings estimates, and the Marketing Mail presort letters mail-processing unit cost estimates.

Predecessor Document

Docket No. ACR2019, PRC-LR-ACR2019-3 FY 2019 - First-Class Mail

Docket No. ACR2019, PRC-LR-ACR2019-4 FY 2019 - USPS Marketing Mail

Corresponding Non-Public Document

There is no corresponding non-public document.

Folders used as inputs to USPS-FY20-10

Folder Number	Data/Information Used
USPS-FY20-7	Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY20-14	Mail Characteristics Study (Public Version)
USPS-FY20-19	Delivery Costs by Shape
USPS-FY20-23	MODS Productivity Data
USPS-FY20-24	Non-Operation Specific Piggyback Factors (Public Version)
USPS-FY20-25	Mail Processing Piggyback Factors (Operation Specific)
USPS-FY20-26	Mail Processing Costs by Shape (Public Version)

Folders utilizing outputs from USPS-FY20-10

Folder Number	Data/Information Provided
USPS-FY20-3	Worksharing Discounts
USPS-FY20-19	Delivery Costs by Shape
USPS-FY20-21	Business Reply Mail Cost Model
USPS-FY20-30	Market Dominant NSA Materials

USPS-FY20-11

This folder is entitled: USPS-FY20-11, Special Cost Studies Workpapers Flat Cost Models (First-Class Mail and Marketing Mail) & Periodicals Cost Model.

USPS-FY20-11 documents the development of the mail-processing unit cost estimates for First-Class Mail Presort flats, Periodicals Outside-County flats, and Marketing Mail flats.

Predecessor Document

First-Class Mail model: Docket No. ACR2019, PRC-LR-ACR2019/3 - FY 2019 First-Class Mail

Periodicals model: Docket No. ACR2019, PRC-LR-ACR2019/5 - FY 2019 Periodicals Mail

Marketing Mail model: Docket No. ACR2019, PRC-LR-ACR2019/4 – FY 2019 Marketing Mail

Corresponding Non-Public Document

There is no corresponding non-public document.

Folders used as inputs to USPS-FY20-11

Folder Number	Data/Information Used
USPS-FY20-7	Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY20-14	Mail Characteristics Study (Public Version)
USPS-FY20-23	MODS Productivity Data
USPS-FY20-25	Mail Processing Piggyback Factors (Operation Specific)
USPS-FY20-26	Mail Processing Costs by Shape (Public Version)

Folders utilizing outputs from USPS-FY20-11

Folder Number	Data/Information Provided
USPS-FY20-3	Worksharing Discounts
USPS-FY20-30	Market Dominant NSA Materials
USPS-FY20-45	Flats Material Pursuant to Rule 3050.50

USPS-FY20-12

This folder is entitled: USPS-FY20-12, Marketing Mail Parcel Mail Processing Cost Model.

USPS-FY20-12 documents the mail processing unit cost estimates for the Marketing Mail machinable, irregular, and marketing parcels price categories.

Predecessor Document

Docket No. ACR2019, USPS-FY19-12.

Corresponding Non-Public Document

There is no corresponding non-public document.

Folders used as inputs to USPS-FY20-12

Folder Number	Data/Information Used
USPS-FY20-4	Domestic Market Dominant Billing Determinants
USPS-FY20-7	Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY20-23	MODS Productivity Data
USPS-FY20-25	Mail Processing Piggyback Factors (Operation Specific)
USPS-FY20-26	Mail Processing Costs by Shape (Public Version)

Folders utilizing outputs from USPS-FY20-12

Folder Number	Data/Information Provided
USPS-FY20-3	Worksharing Discounts
USPS-FY20-13	Marketing Mail and Periodicals Destination Entry Cost Models

USPS-FY20-13

This folder is entitled: USPS-FY20-13, Marketing Mail and Periodicals Destination Entry Cost Models.

USPS-FY20-13 documents the destination entry cost avoidance estimates for Marketing Mail and Periodicals.

Predecessor Document

Docket No. ACR2019, USPS-FY19-13.

Corresponding Non-Public Document

There is no corresponding non-public document.

Folders used as inputs to the USPS-FY20-13 Marketing Mail destination entry cost model

Folder Number	Data/Information Used
USPS-FY20-1	Public Cost and Revenue Analysis (PCRA) Report
USPS-FY20-7	Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY20-12	Marketing Mail Parcel Mail Processing Cost Model
USPS-FY20-14	Mail Characteristics Study (Public Version)
USPS-FY20-24	Non-Operation Specific Piggyback Factors (Public Version)
USPS-FY20-25	Mail Processing Piggyback Factors (Operation Specific)
USPS-FY20-32	CRA "B" Workpapers (Public Version)

Folders used as inputs to the USPS-FY20-13 Periodicals destination entry cost model

Folder Number	Data/Information Used
USPS-FY20-1	Public Cost and Revenue Analysis (PCRA) Report
USPS-FY20-7	Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY20-14	Mail Characteristics Study (Public Version)
USPS-FY20-23	MODS Productivity Data
USPS-FY20-25	Mail Processing Piggyback Factors (Operation Specific)

Folders utilizing outputs from USPS-FY20-13

Folder Number	Data/Information Provided
USPS-FY20-3	Worksharing Discounts
USPS-FY20-16	Bound Printed Matter Transportation Cost Model and Bulk Parcel Return Service Cost Model
USPS-FY20-18	Carrier Route Mail Processing Unit Costs

USPS-FY20-14

This folder is entitled: USPS-FY20-14, Mail Characteristics Study (Public Version).

USPS-FY20-14 documents the development of a number of volume and parameter estimates used in the preparation of the ACR. In the preface to USPS-FY20-14, the section titled “RPW by Shape and Indicia” describes the development of revenue, piece and weight estimates by shape and indicia. Marketing Mail and First-Class Mail estimates by weight increment are also developed. The “Mail Characteristics” section describes the development of preparation and entry characteristics for Marketing Mail flats and letters, and for Periodicals flats. The re-calibration of the First-Class Mail Characteristics Study (Docket No. R2006-1, LR-L-32) is also described in the “Mail Characteristics” section. The “Coverage Factor Updating” section describes the methodology used to update coverage factor parameters for the flats mail processing models.

Predecessor Document

Docket No. ACR2019, USPS-FY19-14.

Corresponding Non-Public Document

USPS-FY20-NP25, Mail Characteristics Study (Non-Public Version).

Folders utilizing outputs from USPS-FY20-14

Folder Number	Data/Information Provided
USPS-FY20-4	Domestic Market Dominant Billing Determinants
USPS-FY20-10	Special Cost Studies Workpapers Letter Cost Models (First-Class and Marketing Mail)
USPS-FY20-11	Special Cost Studies Workpapers Flat Cost Models (First-Class and Marketing Mail) & Periodicals Cost Model
USPS-FY20-12	Marketing Mail Parcel Mail Processing Cost Model
USPS-FY20-13	Marketing Mail and Periodicals Destination Entry Cost Models
USPS-FY20-18	Carrier Route Mail Processing Unit Costs
USPS-FY20-19	Delivery Costs by Shape
USPS-FY20-24	Non-Operation Specific Piggyback Factors (Public Version)
USPS-FY20-26	Mail Processing Costs by Shape (Public Version)
USPS-FY20-45	Flats Material Pursuant to Rule 3050.50

USPS-FY20-15

This folder is entitled: USPS-FY20-15, Bound Printed Matter Mail Processing Cost Model and Media Mail – Library Mail Mail Processing Cost Model.

USPS-FY20-15 documents the mail processing and delivery costs for Bound Printed Matter and the mail processing unit cost estimates for the Media Mail – Library Mail price categories.

Predecessor Document

Docket No. ACR2019, USPS-FY19-15.

Corresponding Non-Public Document

There is no corresponding non-public document.

Folders used as inputs to USPS-FY20-15

Folder Number	Data/Information Used
USPS-FY20-1	Public Cost and Revenue Analysis (PCRA) Report
USPS-FY20-2	Public Cost Segments and Components Report
USPS-FY20-4	Domestic Market Dominant Billing Determinants
USPS-FY20-7	Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY20-22	Bound Printed Matter Mail Processing Costs
USPS-FY20-23	MODS Productivity Data
USPS-FY20-24	Non-Operation Specific Piggyback Factors (Public Version)
USPS-FY20-25	Mail Processing Piggyback Factors (Operation Specific)
USPS-FY20-26	Mail Processing Costs by Shape (Public Version)
USPS-FY20-36	Transportation Cost Systems (TRACS) Documentation (Public Version)

Folders utilizing outputs from USPS-FY20-15

Folder Number	Data/Information Provided
USPS-FY20-3	Worksharing Discounts
USPS-FY20-16	Bound Printed Matter Transportation Cost Model and Bulk Parcel Return Service Cost Model

USPS-FY20-16

This folder is entitled: USPS-FY20-16, Bound Printed Matter Transportation Cost Model and Bulk Parcel Return Service Cost Model.

USPS-FY20-16 documents the Bound Printed Matter transportation cost estimates and the Bulk Parcel Return Service cost estimates.

Predecessor Document

Docket No. ACR2019, USPS-FY19-16.

Corresponding Non-Public Document

There is no corresponding non-public document.

Folders used as inputs to USPS-FY20-16

Folder Number	Data/Information Used
USPS-FY20-1	Public Cost and Revenue Analysis (PCRA) Report
USPS-FY20-7	Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY20-13	Marketing Mail and Periodicals Destination Entry Cost Models
USPS-FY20-15	Bound Printed Matter Mail Processing Cost Model and Media Mail – Library Mail Mail Processing Cost Model
USPS-FY20-23	MODS Productivity Data
USPS-FY20-24	Non-Operation Specific Piggyback Factors (Public Version)
USPS-FY20-25	Mail Processing Piggyback Factors (Operation Specific)
USPS-FY20-32	CRA “B” Workpapers (Public Version)
USPS-FY20-36	Transportation Cost Systems (TRACS) Documentation (Public Version)

Folders utilizing outputs from USPS-FY20-16

Folder Number	Data/Information Provided
USPS-FY20-3	Worksharing Discounts

USPS-FY20-17

This folder is entitled: USPS-FY20-17, Annual Report.

The Postal Service publishes a number of reports that are responsive to different legislative requirements. They provide stakeholders with an accounting of our activities and results. To avoid duplication and improve consistency, our Annual Report to Congress, the Comprehensive Statement on Postal Operations, and our Annual Performance Report and Plan are combined in a single document. USPS-FY20-17 presents that combined Annual Report, and includes the Comprehensive Statement on Postal Operations, the FY 2020 Annual Performance Report and the FY 2021 Annual Performance Plan. The Financial Health portion of the combined Annual Report includes discussion of Total Factor Productivity (TFP). USPS-FY20-17 therefore also presents supporting workpapers for the derivation of the FY 2020 TFP value featured in that discussion in the Annual Report. The Financial Health portion of the Report likewise contains discussion of Non-Controllable Expenses, including certain amounts determined by the Office of Personnel Management (OPM). USPS-FY20-17 thus additionally includes copies of the notifications to the Postal Service from OPM relating to the determination of those funding amounts for FY 2020.

Since this item is provided as general background information, it is not directly relied upon by the Postal Service in this filing.

Predecessor Document

Docket No. ACR2019, USPS-FY19-17.

Corresponding Non-Public Document

In general, there is no corresponding nonpublic version of the Annual Report. To the extent, however, that the FY 2020 Annual Report presented in USPS-FY20-17 also includes the Postal Service's FY 2021 Annual Performance Plan and FY 2020 Annual Performance Report, corresponding nonpublic materials associated with the FY 2021 Annual Performance Plan and FY 2020 Annual Performance Report are provided as a section within USPS-FY20-NP30.

USPS-FY20-18

This folder is entitled: USPS-FY20-18, Carrier Route Mail Processing Unit Costs.

USPS-FY20-18 documents the development of mail processing unit costs by shape for USPS Marketing Mail Enhanced Carrier Route (ECR) rate categories. It contains electronic documentation of the spreadsheets and programs used to develop these costs.

Predecessor Documents

Docket No. ACR2019, USPS-FY19-18.

Corresponding Non-Public Document

There is no corresponding non-public document.

Folders used as inputs to USPS-FY20-18

Folder Number	Data/Information Used
USPS-FY20-7	Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY20-13	Marketing Mail and Periodicals Destination Entry Cost Models
USPS-FY20-14	Mail Characteristics Study (Public Version)
USPS-FY20-26	Mail Processing Costs by Shape (Public Version)
USPS-FY20-NP21	In-Office Cost System (IOCS) Documentation (Non-Public Version)

Folders utilizing outputs from USPS-FY20-18

Folder Number	Data/Information Provided
USPS-FY20-3	Worksharing Discounts

USPS-FY20-19

This folder is entitled: USPS-FY20-19, Delivery Costs by Shape.

USPS-FY20-19 documents the development of delivery costs by rate category for First-Class Mail, Periodicals, Marketing Mail, Bound Printed Matter, and Media Mail.

Predecessor Document

ACR2019, PRC-LR-ACR2019/8 and USPS-FY19-19

Corresponding Non-Public Document

There is no corresponding non-public document

Folders used as inputs to USPS-FY20-19

Folder Number	Data/Information Used
USPS-FY20-10	Special Cost Studies Workpapers Letter Cost Models (First-Class and Marketing Mail)
USPS-FY20-14	Mail Characteristics Study (Public Version)
USPS-FY20-24	Non-Operation Specific Piggyback Factors (Public Version)
USPS-FY20-32	CRA "B" Workpapers (Public Version)
USPS-FY20-34	City Carrier Cost System (CCCS) Documentation (Public Version)
USPS-FY20-35	Rural Carrier Cost System (RCCS) Documentation (Public Version)
USPS-FY20-37	In-Office Cost System (IOCS) Documentation (Public Version)

Folders utilizing outputs from USPS-FY20-19

Folder Number	Data/Information Provided
USPS-FY20-3	Worksharing Discounts
USPS-FY20-10	Special Cost Studies Workpapers Letter Cost Models (First-Class and Marketing Mail)
USPS-FY20-27	Nonprofit Mail Cost Approximations
USPS-FY20-30	Market Dominant NSA Materials

USPS-FY20-20

This folder is entitled: USPS-FY20-20, Window Service Costs by Shape.

USPS-FY20-20 documents the development of window service volume variable costs by shape for Market Dominant Presorted First-Class Mail, USPS Marketing Mail Regular, and USPS Marketing Mail Enhanced Carrier Route (ECR). It contains electronic documentation of the spreadsheets and programs used to develop these costs.

Predecessor Document

Docket No. ACR2019, USPS-FY19-20.

Corresponding Non-Public Document

There is no corresponding non-public document

Folders used as inputs to USPS-FY20-20

Folder Number	Data/Information Used
USPS-FY20-7	Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY20-24	Non-Operation Specific Piggyback Factors (Public Version)
USPS-FY20-26	Mail Processing Costs by Shape (Public Version)
USPS-FY20-NP21	In-Office Cost System (IOCS) Documentation (Non-Public Version)

USPS-FY20-21

This folder is entitled: USPS-FY20-21, Business Reply Mail (BRM) Cost Model.

USPS-FY20-21 documents the worksharing-related savings estimate for Qualified Business Reply Mail (QBRM) letters and cards and the BRM fee cost estimates.

Predecessor Document

Docket No. ACR2019, PRC-LR-ACR2019-3 - FY 2019 First-Class Mail, file PRC-FY19-BRM.xlsx.

Corresponding Non-Public Document

There is no corresponding non-public document

Folders used as inputs to USPS-FY20-21

Folder Number	Data/Information Used
USPS-FY20-7	Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY20-10	Special Cost Studies Workpapers Letter Cost Models (First-Class and Marketing Mail)
USPS-FY20-23	MODS Productivity Data
USPS-FY20-24	Non-Operation Specific Piggyback Factors (Public Version)
USPS-FY20-25	Mail Processing Piggyback Factors (Operation Specific)

Folders utilizing outputs from USPS-FY20-21

Folder Number	Data/Information Provided
USPS-FY20-3	Worksharing Discounts

USPS-FY20-22

This folder is entitled: USPS-FY20-22, Bound Printed Matter Mail Processing Costs.

USPS-FY20-22 documents the development of mail processing costs for Bound Printed Matter. It contains electronic documentation of the spreadsheets and programs used to develop these costs.

Predecessor Document

Docket No. ACR2019, USPS-FY19-22.

Corresponding Non-Public Document

There is no corresponding non-public document

Folders used as inputs to USPS-FY20-22

Folder Number	Data/Information Used
USPS-FY20-7	Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY20-26	Mail Processing Costs by Shape (Public Version)
USPS-FY20-NP21	In-Office Cost System (IOCS) Documentation (Non-Public Version)

Folders utilizing outputs from USPS-FY20-22

Folder Number	Data/Information Provided
USPS-FY20-15	Bound Printed Matter Mail Processing Cost Model and Media Mail – Library Mail Mail Processing Cost Model

USPS-FY20-23

This folder is entitled: USPS-FY20-23, MODS Productivity Data.

USPS-FY20-23 provides productivity data for selected operations at MODS plants, Network Distribution Centers (NDC), and Remote Encoding Centers (REC).

Predecessor Document

Docket No. ACR2019, USPS-FY19-23.

Corresponding Non-Public Document

There is no corresponding non-public document.

Folders utilizing outputs from USPS-FY20-23

Folder Number	Data/Information Provided
USPS-FY20-7	Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY20-10	Special Cost Studies Workpapers Letter Cost Models (First-Class and Marketing Mail)
USPS-FY20-11	Special Cost Studies Workpapers Flat Cost Models (First-Class and Marketing Mail) & Periodicals Cost Model
USPS-FY20-15	Bound Printed Matter Mail Processing Cost Model and Media Mail – Library Mail Mail Processing Cost Model
USPS-FY20-45	Flats Material Pursuant to Rule 3050.50
USPS-FY20-NP18	Cost Segment 3 Cost Pools & Other Related Information (Non-Public Version)

USPS-FY20-24

This folder is entitled: USPS-FY20-24, Non-Operation Specific Piggyback Factors (Public Version).

USPS-FY20-24 documents development of the piggyback factors for major functions (e.g., mail processing, window service, city delivery, rural delivery, vehicle service drivers, and postmasters) for each Market Dominant product. Piggyback factors are employed in cost studies to augment labor cost estimates for the major functions by adding the costs associated with supervisors and administration, service-wide benefits, along with facility-related and equipment-related costs.

Predecessor Document

Docket No. ACR2019, USPS-FY19-24.

Corresponding Non-Public Document

USPS-FY20-NP19, Non-Operation Specific Piggyback Factors (Non-Public Version).

Folders used as inputs to USPS-FY20-24

Folder Number	Data/Information Used
USPS-FY20-31	CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)

Folders utilizing outputs from USPS-FY20-24

Folder Number	Data/Information Provided
USPS-FY20-10	Special Cost Studies Workpapers Letter Cost Models (First-Class and Marketing Mail)
USPS-FY20-11	Special Cost Studies Workpapers Flat Cost Models (First-Class and Marketing Mail) & Periodicals Cost Model
USPS-FY20-12	Marketing Mail Parcel Mail Processing Cost Model
USPS-FY20-13	Marketing Mail and Periodicals Destination Entry Cost Models
USPS-FY20-15	Bound Printed Matter Mail Processing Cost Model and Media Mail – Library Mail Mail Processing Cost Model
USPS-FY20-16	Bound Printed Matter Transportation Cost Model and Bulk Parcel Return Service Cost Model
USPS-FY20-19	Delivery Costs by Shape
USPS-FY20-20	Window Service Costs by Shape
USPS-FY20-21	Business Reply Mail Cost Model

USPS-FY20-9

USPS-FY20-25	Mail Processing Piggyback Factors (Operation Specific)
USPS-FY20-26	Mail Processing Costs by Shape (Public Version)
USPS-FY20-28	Special Services Public Cost Studies
USPS-FY20-45	Flats Material Pursuant to Rule 3050.50
USPS-FY20- NP10	Competitive Product Incremental and Group Specific Costs
USPS-FY20- NP26	Special Services Non-Public Cost Studies

USPS-FY20-25

This folder is entitled: USPS-FY20-25, Mail Processing Piggyback Factors (Operation Specific).

USPS-FY20-25 documents development of the mail processing cost pool piggyback factors and operation specific mail processing piggyback factors. Piggyback factors are employed in cost studies to augment processing cost pool and operations labor costs by adding the costs associated with supervisors and administration, service-wide benefits, and facility-related and equipment-related costs.

Predecessor Document

Docket No. ACR2019, USPS-FY19-25.

Corresponding Non-Public Document

There is no corresponding non-public document.

Folders used as inputs to USPS-FY20-25

Folder Number	Data/Information Used
USPS-FY20-7	Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY20-8	Equipment and Facility Related Costs
USPS-FY20-23	MODS Productivity Data
USPS-FY20-24	Non-Operation Specific Piggyback Factors (Public Version)
USPS-FY20-31	CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)

Folders utilizing outputs from USPS-FY20-25

Folder Number	Data/Information Provided
USPS-FY20-10	Special Cost Studies Workpapers Letter Cost Models (First-Class and Marketing Mail)
USPS-FY20-11	Special Cost Studies Workpapers Flat Cost Models (First-Class and Marketing Mail) & Periodicals Cost Model
USPS-FY20-12	Marketing Mail Parcel Mail Processing Cost Model
USPS-FY20-13	Marketing Mail and Periodicals Destination Entry Cost Models
USPS-FY20-15	Bound Printed Matter Mail Processing Cost Model and Media Mail – Library Mail Mail Processing Cost Model

USPS-FY20-9

USPS-FY20-16	Bound Printed Matter Transportation Cost Model and Bulk Parcel Return Service Cost Model
USPS-FY20-21	Business Reply Mail Cost Model
USPS-FY20-26	Mail Processing Costs by Shape (Public Version)
USPS-FY20-28	Special Services Public Cost Studies
USPS-FY20-45	Flats Material Pursuant to Rule 3050.50
USPS-FY20-NP20	Mail Processing Costs by Shape (Non-Public Version)

USPS-FY20-26

This folder is entitled: USPS-FY20-26, Mail Processing Costs by Shape (Public Version).

USPS-FY20-26 provides mail processing unit costs by shape for First-Class Mail, Periodicals, Marketing Mail and Package Services. These costs are provided by cost pool and include piggyback or indirect costs.

Predecessor Document

Docket No. ACR2019, USPS-FY19-26.

Corresponding Non-Public Document

USPS-FY20-NP20, Mail Processing Costs by Shape (Non-Public Version).

Folders used as inputs to USPS-FY20-26

Folder Number	Data/Information Used
USPS-FY20-7	Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY20-14	Mail Characteristics Study (Public Version)
USPS-FY20-24	Non-Operation Specific Piggyback Factors (Public Version)
USPS-FY20-25	Mail Processing Piggyback Factors (Operation Specific)

Folders utilizing outputs from USPS-FY20-26

Folder Number	Data/Information Provided
USPS-FY20-10	Special Cost Studies Workpapers Letter Cost Models (First-Class and Marketing Mail)
USPS-FY20-11	Special Cost Studies Workpapers Flat Cost Models (First-Class and Marketing Mail) & Periodicals Cost Model
USPS-FY20-12	Marketing Mail Parcel Mail Processing Cost Model
USPS-FY20-13	Marketing Mail and Periodicals Destination Entry Cost Models
USPS-FY20-15	Bound Printed Matter Mail Processing Cost Model and Media Mail – Library Mail Mail Processing Cost Model
USPS-FY20-16	Bound Printed Matter Transportation Cost Model and Bulk Parcel Return Service Cost Model
USPS-FY20-18	Carrier Route Mail Processing Unit Costs
USPS-FY20-20	Window Service Costs by Shape
USPS-FY20-21	Business Reply Mail Cost Model
USPS-FY20-22	Bound Printed Matter Mail Processing Costs

USPS-FY20-27

This folder is entitled: USPS-FY20-27, Nonprofit Mail Cost Approximations.

USPS-FY20-27 approximates the unit costs, total costs and contribution associated with Nonprofit Marketing Mail by using the volumes and revenues associated with Nonprofit Marketing Mail in conjunction with estimated unit costs by product, shape and rate category for Marketing Mail. Because the Postal Service's data systems do not collect cost information separately for Nonprofit and Commercial mail, the estimated costs reported for Marketing Mail represent costs for the combined categories. Although it may be reasonable to assume, for instance, that an automation 5-digit Nonprofit letter and an automation 5-digit Commercial letter would have similar costs, there may be cost-causing characteristics which are not explicitly incorporated into the cost models and which may vary for Nonprofit relative to those for Commercial mail. The Postal Service does not represent that USPS-FY20-27 necessarily reflects the actual costs of Nonprofit mail, but rather, it approximates the costs of Nonprofit mail assuming that the costs of Nonprofit mail are the same as the costs of Marketing Mail, at the disaggregated level.

Predecessor Document

Docket No. ACR2019, USPS-FY19-27.

Corresponding Non-Public Document

There is no corresponding non-public document.

Folders used as inputs to USPS-FY20-27

Folder Number	Data/Information Used
USPS-FY20-2	Public Cost Segments and Components Report
USPS-FY20-4	Domestic Market Dominant Billing Determinants
USPS-FY20-12	Marketing Mail Parcel Mail Processing Cost Model
USPS-FY20-13	Marketing Mail and Periodicals Destination Entry Cost Models
USPS-FY20-18	Carrier Route Mail Processing Unit Costs
USPS-FY20-19	Delivery Costs by Shape
USPS-FY20-30	Market Dominant NSA Materials
USPS-FY20-42	Revenues, Pieces, & Weight Report (Public Version)
USPS-FY20-43	Market Dominant Product Incremental Costs

USPS-FY20-28

This folder is entitled: USPS-FY20-28, Special Services Public Cost Studies.

USPS-FY20-28 documents the cost estimates for Address Management Services, Caller Service, Certificate of Mailing, Credit Card Authentication, Correction of Mailing Lists, Insurance, Money Orders, Periodicals Applications, Philatelic Sales and Stamp Fulfillment Services (SFS) Handling, P.O. Box Key Replacement and Lock Changes, Restricted Delivery, Return Receipt, Signature Confirmation, Stamped Cards, Stamped Envelopes, Personalized Stamped Envelopes, USPS Tracking, and ZIP Coding of Mailing Lists.

Predecessor Document

Docket No. ACR2019, USPS-FY19-28.

Corresponding Non-Public Document

USPS-FY20-NP26, Special Services Non-Public Cost Studies.

Folders used as inputs to USPS-FY20-28

Folder Number	Data/Information Used
USPS-FY20-1	Public Cost and Revenue Analysis (PCRA) Report
USPS-FY20-2	Public Cost Segments and Components Report
USPS-FY20-4	Domestic Market Dominant Billing Determinants
USPS-FY20-7	Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY20-24	Non-Operation Specific Piggyback Factors (Public Version)
USPS-FY20-25	Mail Processing Piggyback Factors (Operation Specific)
USPS-FY20-32	CRA "B" Workpapers (Public Version)
USPS-FY20-NP15	Parcel Select / Parcel Return Service Mail Processing Cost Model
USPS-FY20-NP16	Parcel Select / Parcel Return Service Transportation Cost Model

Folders utilizing outputs from USPS-FY20-28

Folder Number	Data/Information Provided
USPS-FY20-31	CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)

USPS-FY20-29

This folder is entitled: USPS-FY20-29, Service Performance of Market Dominant Products.

USPS-FY20-29 contains the Annual Report on the service performance of Market Dominant products.

Predecessor Document

Docket No. ACR2019, USPS-FY19-29.

Corresponding Non-Public Document

USPS-FY20-NP30, Service Performance Material (Non-Public Portions).

Folders Utilizing Outputs from USPS-FY20-29

Folder Number	Data/Information Provided
USPS-FY20-45	Flats Material Pursuant to Rule 3050.50

USPS-FY20-30

This folder is entitled: USPS-FY20-30, Market Dominant NSA Materials.

USPS-FY20-30 reports unit costs by product for several products within First-Class and Marketing Mail. Historically, this folder has also reported revenues, costs, volumes and net financial benefits with the Market Dominant NSAs in effect during the relevant fiscal year. However, in FY 2020, there were no Market Dominant NSAs in effect, so there is no information to report. Thus, no information about Market Dominant NSAs is included in this folder for FY 2020.

Predecessor Document

Docket No. ACR2019, USPS-FY19-30.

Corresponding Non-Public Document

There is no corresponding non-public document. Information on Competitive domestic NSAs can be found in USPS-FY20-NP27.

Folders used as inputs to USPS-FY20-30

Folder Number	Data/Information Used
USPS-FY20-2	Public Cost Segments and Components Report
USPS-FY20-4	Domestic Market Dominant Billing Determinants
USPS-FY20-10	Special Cost Studies Workpapers Letter Cost Models (First-Class and Marketing Mail)
USPS-FY20-11	Special Cost Studies Workpapers Flat Cost Models (First-Class and Marketing Mail) & Periodicals Cost Model
USPS-FY20-18	Carrier Route Mail Processing Unit Costs
USPS-FY20-19	Delivery Costs by Shape
USPS-FY20-24	Non-Operation Specific Piggyback Factors (Public Version)
USPS-FY20-31	CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)
USPS-FY20-42	Revenues, Pieces, & Weight Report (Public Version)

Folders utilizing outputs from USPS-FY20-30

Folder Number	Data/Information Provided
USPS-FY20-27	Nonprofit Mail Cost Approximations

USPS-FY20-31

This folder is entitled: USPS-FY20-31, CRA Model (Model Files, Cost Matrices, and Reports) (Public Version).

USPS-FY20-31 contains the Cost and Revenue Analysis (CRA) Model along with associated cost matrices and reports. Files are provided in Excel format.

Predecessor Document

Docket No. ACR2019, USPS-FY19-31.

Corresponding Non-Public Document

USPS-FY20-NP13, CRA Model (Model Files, Cost Matrices, and Reports) (Non-Public Version).

Folders used as inputs to USPS-FY20-31

Folder Number	Data/Information Used
USPS-FY20-5	Cost Segments and Components Reconciliation to Financial Statements and Account Reallocations (Public Version)
USPS-FY20-7	Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY20-8	Equipment and Facility Related Costs
USPS-FY20-28	Special Services Public Cost Studies
USPS-FY20-30	Market Dominant NSA Materials
USPS-FY20-32	CRA "B" Workpapers (Public Version)
USPS-FY20-37	In-Office Cost System (IOCS) Documentation (Public Version)
USPS-FY20-42	Revenues, Pieces, & Weight Report (Public Version)

Folders utilizing outputs from USPS-FY20-31

Folder Number	Data/Information Provided
USPS-FY20-1	Public Cost and Revenue Analysis (PCRA) Report
USPS-FY20-2	Public Cost Segments and Components Report
USPS-FY20-24	Non-Operation Specific Piggyback Factors (Public Version)
USPS-FY20-39	Competitive Products Fund Reporting Materials
USPS-FY20-43	Market Dominant Product Incremental Costs

USPS-FY20-32

This folder is entitled: USPS-FY20-32, CRA “B” Workpapers (Public Version).

USPS-FY20-32, FY 2020 CRA “B” Workpapers, inputs and calculates volume variable and product specific costs by cost segment, which are used by USPS-FY20-31, CRA Model, to produce USPS-FY20-2, Cost Segments and Components Report. The work papers calculate costs by product for 12 of the 17 cost segments, including postmasters, supervisors, clerks and mail handlers, in-office city carrier activities, city carrier street activities, rural carriers, purchased transportation, etc. USPS-FY20-32 contains electronic documentation of the spreadsheets and programs used to develop these costs.

USPS-FY20-32 also contains the city carrier letter route street evaluation data that is used to develop the city carrier letter route cost pools in cost segment 7. Moreover, it also contains a report named Report on Estimation of Variabilities for Customer Care Centers Fiscal Year 2020. This report displays and discusses the results of re-estimating the variability equations included in the Commission directive from Docket No. RM2015-5, Proposal Twelve.

Lastly, this folder includes updated estimates of the net costs associated with the United States Postal Inspection Service for the current and previous fiscal year.

Predecessor Document

Docket No. ACR2019, USPS-FY19-32.

Corresponding Non-Public Document

USPS-FY20-NP14, CRA "B" Workpapers (Non-Public Version).

Folders used as inputs USPS-FY20-32

Folder Number	Data/Information Used
USPS-FY20-5	Cost Segment and Components Reconciliation to Financial Statements and Account Reallocations (Public Version)
USPS-FY20-7	Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY20-34	City Carrier Cost System (CCCS) Documentation (Public Version)
USPS-FY20-35	Rural Carrier Cost System (RCCS) Documentation (Public Version)
USPS-FY20-36	Transportation Cost Systems (TRACS) Documentation (Public Version)
USPS-FY20-37	In-Office Cost System (IOCS) Documentation (Public Version)
USPS-FY20-40	Rural Mail Count

Folders utilizing output from USPS-FY20-32

Folder Number	Data/Information Provided
USPS-FY20-13	Marketing Mail and Periodicals Destination Entry Cost Models
USPS-FY20-16	Bound Printed Matter Transportation Cost Model and Bulk Parcel Return Service Cost Model
USPS-FY20-19	Delivery Costs by Shape
USPS-FY20-31	CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)
USPS-FY20-43	Market Dominant Product Incremental Costs
USPS-FY20-45	Flats Material Pursuant to Rule 3050.50
USPS-FY20-NP26	Special Services Non-Public Cost Studies

USPS-FY20-33

This folder is entitled: USPS-FY20-33, Consumer Access to Postal Services.

USPS-FY20-33 provides information regarding consumer access to postal services. In particular, it provides information regarding post offices, delivery points, collection boxes, and wait time in line.

Predecessor Document

Docket No. ACR2019, USPS-FY19-33.

Corresponding Non-Public Document

There is no corresponding non-public document.

USPS-FY20-34

This folder is entitled: USPS-FY20-34, City Carrier Cost System (CCCS) Documentation (Public Version).

USPS-FY20-34 documents the statistical design of the City Carrier Cost System (CCCS) and City Carrier Cost System – Special Purpose Route (CCCS-SPR). It contains documentation of the statistical design and the programs used to develop volume estimates for classes, products, and price categories of mail collected and delivered on city letter routes and city special purpose routes. Also included are proportions, coefficients of variation (CVs), and confidence intervals for the estimates.

Predecessor Document

Docket No. ACR2019, USPS-FY19-34.

Corresponding Non-Public Document

USPS-FY20-NP22, City Carrier Cost System (CCCS) Documentation (Non-Public Version).

Folders utilizing outputs from USPS-FY20-34

Folder Number	Data/Information Provided
USPS-FY20-19	Delivery Costs by Shape
USPS-FY20-32	CRA "B" Workpapers (Public Version)
USPS-FY20-NP6	International Cost Segment Spreadsheets
USPS-FY20-NP14	CRA "B" Workpapers (Non-Public Version)

USPS-FY20-35

This folder is entitled: USPS-FY20-35, Rural Carrier Cost System (RCCS) Documentation (Public Version).

USPS-FY20-35 documents the statistical design of the Rural Carrier Cost System (RCCS). It contains documentation of the statistical design and the programs used to develop volume estimates for classes, products, and price categories of mail collected and delivered on rural routes. Also included are proportions, coefficients of variation (CVs), and confidence intervals for the estimates.

Predecessor Document

Docket No. ACR2019, USPS-FY19-35.

Corresponding Non-Public Document

USPS-FY20-NP23, Rural Carrier Cost System (RCCS) Documentation (Non-Public Version).

Folders utilizing outputs from USPS-FY20-35

Folder Number	Data/Information Provided
USPS-FY20-19	Delivery Costs by Shape
USPS-FY20-32	CRA "B" Workpapers (Public Version)
USPS-FY20-NP6	International Cost Segment Spreadsheets
USPS-FY20-NP14	CRA "B" Workpapers (Non-Public Version)

USPS-FY20-36

This folder is entitled: USPS-FY20-36, Transportation Cost Systems (TRACS) Documentation (Public Version).

USPS-FY20-36 documents the development of the estimated distribution keys for purchased transportation costs. It contains documentation for the two Transportation Cost System (TRACS) subsystems, TRACS Air and TRACS Surface (Highway), used to develop these costs. It also presents coefficients of variation (CV) and confidence intervals for TRACS estimates.

Predecessor Document

Docket No. ACR2019, USPS-FY19-36.

Corresponding Non-Public Document

USPS-FY20-NP24, Transportation Cost Systems (TRACS) Documentation (Non-Public Version).

Folders utilizing outputs from USPS-FY20-36

Folder Number	Data/Information Provided
USPS-FY20-32	CRA "B" Workpapers (Public Version)
USPS-FY20-NP2	International Cost and Revenue Analysis (ICRA) Report
USPS-FY20-NP14	CRA "B" Workpapers (Non-Public Version)

USPS-FY20-37

This folder is entitled: USPS-FY20-37, In-Office Cost System (IOCS) Documentation (Public Version).

USPS-FY20-37 documents the In-Office Cost System, including statistical design for and estimation of in-office labor costs. It also presents CVs (coefficients of variation) and confidence intervals for the estimates.

A response to the requests in the Commission's Order No. 5697 is also provided.

Predecessor Document

Docket No. ACR2019, USPS-FY19-37.

Corresponding Non-Public Document

USPS-FY20-NP21, In-Office Cost System (IOCS) Documentation (Non-Public Version).

Folders utilizing outputs from USPS-FY20-37

Folder Number	Data/Information Provided
USPS-FY20-1	Public Cost and Revenue Analysis (PCRA) Report
USPS-FY20-7	Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY20-19	Delivery Costs by Shape
USPS-FY20-31	CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)
USPS-FY20-32	CRA "B" Workpapers (Public Version)

USPS-FY20-38

This folder is entitled: USPS-FY20-38, USPS Market Dominant Product Customer Experience (CX) Survey Instruments and Results.

USPS-FY20-38 consists of seven documents. The first six are survey instruments that have been used by the Postal Service to develop measures of customer experience for fiscal year 2020: (a) the Business Service Network (BSN) Survey, which was used to survey accounts in the CRM database that have reported service issues; (b) the Point of Sale (POS) Survey, which was used to survey retail customers who conduct transactions at USPS locations with POS equipment; (c) the Delivery Survey - Residential, random sample of US households that receive mail delivery; (d) the Delivery Survey – SMB, random sample of small/ medium sized businesses (< 250 employees) that receive mail; (e) Large Business Survey which surveys customer satisfaction of businesses with greater than 250 employees ; and (f) the Customer Care Center (CCC), residential customers that call the USPS Care Center and interact with a live agent are surveyed to measure their overall satisfaction with the agent's performance. The seventh document consists of summary customer insights survey data generated by use of the five survey instruments.

Predecessor Document

Docket No. ACR2019, USPS-FY19-38.

Corresponding Non-Public Document

There is no corresponding non-public document.

USPS-FY20-39

This folder is entitled: USPS-FY20-39, Competitive Products Fund Reporting Materials.

USPS-FY20-39, Competitive Products Fund Reporting Materials, includes a copy of the Postal Service's annual report to the Secretary of the Treasury regarding the Competitive Products Fund, required by section 2011(i), and other Competitive Products Fund materials provided in accordance with Commission Rules 3060.20 through 3060.23. Specifically, that other material includes PRC Forms CP-01, CP-02, CP-03, and CP-04.

Predecessor Document

Docket No. ACR2019, USPS-FY19-39.

Corresponding Non-Public Document

There is no corresponding non-public document.

USPS-FY20-40

This folder is entitled: USPS-FY20-40, Rural Mail Count.

USPS-FY20-40 aggregates data collected from the most recent (March 2018) Rural Mail Count (RMC) for two purposes: 1) to determine the sizes of the cost pools by route type ('Evaluated' and 'Other'); and 2) to use the results from part 1) to calculate volume variability factors by route type.

Predecessor Document

Docket No. ACR2019, USPS-FY19-40.

Corresponding Non-Public Document

There is no corresponding non-public document.

Folders utilizing outputs from USPS-FY20-40

Folder Number	Data/Information Provided
USPS-FY20-32	CRA "B" Workpapers (Public Version)
USPS-FY20-NP14	CRA "B" Workpapers (Non-Public Version)

USPS-FY20-41

This folder is entitled: USPS-FY20-41, International Market Dominant Billing Determinants.

USPS-FY20-41 presents the Market Dominant International Billing Determinants, showing the volume and calculated revenue for each rate cell within a mail product.

Predecessor Document

Docket No. ACR2019, USPS-FY19-41.

Corresponding Non-Public Document

USPS-FY20-NP8, International Competitive Billing Determinants.

USPS-FY20-42

This folder is entitled: USPS-FY20-42, Revenue, Pieces, and Weight Report (Public Version).

USPS-FY20-42 contains the public version of the U.S. Postal Service Revenue, Pieces, and Weight (RPW) Report.

Predecessor Document

Previously, for many years, the RPW materials have been provided to the Commission as part of periodic reporting. (Quarterly RPW reports will continue to be provided as part of periodic reporting.) The most recent quarterly RPW (for Quarter 4 of FY 2020) and the most recent annual RPW report (FY 2020) were filed on November 13, 2020. The public FY 2019 RPW was filed as USPS-FY19-42 in Docket No. ACR2019.

Corresponding Non-Public Document

USPS-FY20-NP28, Revenue, Pieces and Weight Report (Non-Public Version).

USPS-FY20-43

This folder is entitled: USPS-FY20-43, Market Dominant Product Incremental Costs

USPS-FY20-43 provides incremental costs and supporting documentation for Market Dominant products. Also provided are the revenues associated with each row of incremental costs, and the resulting incremental cost coverage. The group incremental costs for four of the six competitive product groups for which volume variable and product specific costs are shown in the Public CRA (USPS-FY20-1) are also displayed. These competitive product costs, however, are developed in USPS-FY20-NP10, and are merely reproduced here as results.

Predecessor Document

Docket No. ACR2019, USPS-FY19-43.

Corresponding Non-Public Document

USPS-FY20-NP10, Competitive Product Incremental and Group Specific Costs.

Folders used as inputs to USPS-FY20-43

Folder Number	Data/Information Used
USPS-FY20-31	CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)
USPS-FY20-32	CRA "B" Workpapers (Public Version)

Folders utilizing outputs from USPS-FY20-43

Folder Number	Data/Information Provided
USPS-FY20-1	Public Cost and Revenue Analysis (PCRA) Report
USPS-FY20-27	Nonprofit Mail Cost Approximations
USPS-FY20-NP11	Non-Public Cost and Revenue Analysis (NPCRA) Report

USPS-FY20-44

This folder is entitled: USPS-FY20-44, Update to Periodicals Pricing Report

USPS-FY20-44 provides a further update to the Periodicals Pricing Report initially filed on July 26, 2016, which was subsequently updated as part of the ACR each year from FY 2016 to FY 2019 ACR. It responds to a FY 2019 ACD directive (page 32) requiring that the Postal Service again submit an updated Periodicals Pricing Report.

Predecessor Document

Docket No. ACR2019, USPS-FY19-44.

Corresponding Non-Public Document

There is no corresponding non-public document.

Folders used as inputs to USPS-FY20-44

Folder Number	Data/Information Used
USPS-FY20-4	Domestic Market Dominant Billing Determinants
USPS-FY20-11	Special Cost Studies Workpapers Flat Cost Models (First-Class and Marketing Mail) & Periodicals Cost Model
USPS-FY20-14	Mail Characteristics Study (Public Version)
USPS-FY20-19	Delivery Costs by Shape

USPS-FY20-45

This folder is entitled: USPS-FY20-45, Flats Material Pursuant to Rule 3050.50

USPS-FY20-45 provides the public materials required by Rule 3050.50, adopted in Order No. 5086 (May 8, 2019) at the completion of Docket No. RM2018-1. These materials constitute a variety of information and analysis relating to cost and service issues regarding flat-shaped market dominant products.

Predecessor Document

Last year, this material was presented in USPS-FY19-45. Before FY 2019, similar material was presented in previous ACR proceedings and in Docket No. RM2018-1, often in response to Information Requests.

Corresponding Non-Public Document

USPS-FY20-NP31, Non-Public Flats Material Pursuant to Rule 3050.50.

Folders used as inputs to USPS-FY20-45

In addition to the folders listed below, the inputs for the materials in USPS-FY20-45 come from data systems throughout the Postal Service.

Folder Number	Data/Information Used
USPS-FY20-1	Public Cost and Revenue Analysis (PCRA) Report
USPS-FY20-2	Public Cost Segments and Components Report
USPS-FY20-4	Domestic Market Dominant Billing Determinants
USPS-FY20-7	Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY20-11	Special Cost Studies Workpapers Flat Cost Models (First-Class and Marketing Mail) & Periodicals Cost Model
USPS-FY20-14	Mail Characteristics Study (Public Version)
USPS-FY20-23	MODS Productivity Data
USPS-FY20-24	Non-Operation Specific Piggyback Factors (Public Version)
USPS-FY20-25	Mail Processing Piggyback Factors (Operation Specific)
USPS-FY20-29	Service Performance of Market Dominant Products
USPS-FY20-32	CRA "B" Workpapers (Public Version)

**SECTION I: DESCRIPTION OF ITEMS
NON-PUBLIC****USPS-FY20-NP1**

This folder is entitled: USPS-FY20-NP1, Domestic Competitive Product Billing Determinants.

The purpose of this item is to provide the U.S. Postal Service Billing Determinants for domestic Competitive products. Billing Determinants provide specific information regarding revenue and volume of postal products and services.

Predecessor Document

Docket No. ACR2019, USPS-FY19-NP1.

Corresponding Public Document

USPS-FY20-4, Domestic Market Dominant Billing Determinants.

Folders utilizing outputs from USPS-FY20-NP1

Folder Number	Data/Information Provided
USPS-FY20-NP15	Parcel Select / Parcel Return Service Mail Processing Cost Model
USPS-FY20-NP16	Parcel Select / Parcel Return Service Transportation Cost Model
USPS-FY20-NP27	Domestic Competitive NSA and Nonpostal Materials

USPS-FY20-NP2

This folder is entitled: USPS-FY20-NP2, International Cost and Revenue Analysis (ICRA) Report.

USPS-FY20-NP2 contains the ICRA Excel model and the ICRA report.

Predecessor Document

This item was filed as USPS-FY19-NP2 (Revised 1/10/20) in Docket No. ACR2019.

Corresponding Public Document

There is no corresponding public document.

USPS-FY20-NP3

This folder is entitled: USPS-FY20-NP3, International Cost Segments and Components Report.

USPS-FY20-NP3 contains the electronic version of the International Cost Segments and Components Report.

This item is the International Cost Segments and Components Report, or C Report, output of the Domestic Processing Model in USPS-FY20-NP4.

Predecessor Document

Docket No. ACR2019, USPS-FY19-NP3.

Corresponding Public Document

There is no corresponding public document.

Folders used as inputs to USPS-FY20-NP3

Folder Number	Data/Information Used
USPS-FY20-NP4	ICRA Domestic Processing Model (Cost Matrices, Reports, Control File, & Changes)

USPS-FY20-NP4

This folder is entitled: USPS-FY20-NP4, ICRA Domestic Processing Model (Cost Matrices, Reports, Control File, & Changes).

USPS-FY20-NP4 contains the Excel ICRA model that produces the international category cost detail associated with the domestic processing, delivery and piggyback cost segments. This folder shows all international costs except domestic transportation, international transportation and settlement charges. The cost matrices, reports and control files to execute the model are contained here.

Predecessor Document

Docket No. ACR2019, USPS-FY19-NP4.

Corresponding Public Document

There is no corresponding public document.

Folders used as inputs to USPS-FY20-NP4

Folder Number	Data/Information Used
USPS-FY20-NP6	International Cost Segment Spreadsheets
USPS-FY20-NP7	Cost Segment 3 International Product Costs by Cost Pools
USPS-FY20-NP13	CRA Model (Model Files, Cost Matrices, and Reports) (Non-Public Version)
USPS-FY20-NP14	CRA "B" Workpapers (Non-Public Version)

Folders utilizing outputs from USPS-FY20-NP4

Folder Number	Data/Information Provided
USPS-FY20-NP2	International Cost and Revenue Analysis (ICRA) Report

USPS-FY20-NP5

This folder is entitled: USPS-FY20-NP5, ICRA Overview/Technical Description.

USPS-FY20-NP5 provides narrative descriptions and documentation of the ICRA production process in two parts. Part 1 is a summary and functional description of the six areas which constitute the development of the ICRA report: domestic processing, domestic transportation, international mail volumes, international transportation, settlement charges and foreign origin mail, with example pages of the FY 2020 ICRA Report. Part 2 contains technical descriptions and computational details of the same six development areas, technical descriptions of the SIRVO-ODIS and SIRVI data systems, and the final chapter is a user's guide to the Excel ICRA model.

Predecessor Document

Docket No. ACR2019, USPS-FY19-NP5.

Corresponding Public Document

There is no corresponding public document.

USPS-FY20-NP6

This folder is entitled: USPS-FY20-NP6, International Cost Segment Workpapers.

USPS-FY20-NP6 contains the workpapers used as inputs to USPS-FY20-NP4 (ICRA Domestic Processing Model (Cost Matrices, Reports, Control Files, & Changes)). These spreadsheets are also contained in USPS-FY20-NP4 because these files need to be in that directory to execute the model.

Predecessor Document

Docket No. ACR2019, USPS-FY19-NP6.

Corresponding Public Document

There is no corresponding public document.

Folders used as inputs to USPS-FY20-NP6

Folder Number	Data/Information Used
USPS-FY20-NP14	CRA "B" Workpapers (Non-Public Version)

USPS-FY20-NP7

This folder is entitled: USPS-FY20-NP7, Cost Segment 3 International Product Costs by Cost Pools.

USPS-FY20-NP7 provides volume variable labor costs by cost pool and detailed International Mail product for Cost Segment 3 (clerk and mail handler labor) as inputs to the ICRA model.

Predecessor Document

Docket No. ACR2019, USPS-FY19-NP7.

Corresponding Public Document

There is no corresponding public document.

Folders used as inputs to USPS-FY20-NP7

Folder Number	Data/Information Used
USPS-FY20-23	MODS Productivity Data
USPS-FY20-NP2	International Cost and Revenue Analysis (ICRA) Report
USPS-FY20-NP18	Cost Segment 3 Cost Pools & Other Related Information (Non-Public Version)
USPS-FY20-NP21	In-Office Cost System (IOCS) Documentation (Non-Public Version)

Folders utilizing outputs from USPS-FY20-NP7

Folder Number	Data/Information Provided
USPS-FY20-NP4	ICRA Domestic Processing Model (Cost Matrices, Reports, Control File, & Changes)
USPS-FY20-NP9	Miscellaneous International Data

USPS-FY20-NP8

This folder is entitled: USPS-FY20-NP8, International Competitive Billing Determinants.

USPS-FY20-NP8 presents the International Competitive Billing Determinants, showing the volume and calculated revenue for each rate cell within a mail product.

Predecessor Document

Docket No. ACR2019, USPS-FY19-NP8.

Corresponding Public Document

USPS-FY20-41, International Marketing Dominant Billing Determinants.

Inputs/Outputs

Inputs come from sources such as GBS Dispatch, PostalOne!, International Accounting Branch (IAB) weight, SIRVO-IODIS, and ODIS-RPW. The data is from the same sources used in the Fiscal Year 2019 International Cost and Revenue Analysis Report.

USPS-FY20-NP9

This folder is entitled: USPS-FY20-NP9, Miscellaneous International Data.

USPS-FY20-NP9 contains miscellaneous documents that are not used in the development of the ICRA, but generally contain material of the type previously filed in response to Commission Rule 103. The miscellaneous documents include data on international joint ventures and coefficients of variation for various functions.

Predecessor Document

Docket No. ACR2019, USPS-FY19-NP9.

Corresponding Public Document

There is no corresponding public document.

Folders used as inputs to USPS-FY20-NP9

Folder Number	Data/Information Used
USPS-FY20-NP5	ICRA Overview/Technical Description
USPS-FY20-NP21	In-Office Cost System (IOCS) Documentation (Non-Public Version)

USPS-FY20-NP10

This folder is entitled: USPS-FY20-NP10, Competitive Product Incremental and Group Specific Costs.

USPS-FY20-NP10 provides incremental costs for Competitive products.

Predecessor Document

Docket No. ACR2019, USPS-FY19-NP10.

Corresponding Public Document

USPS-FY20-43, Market Dominant Product Incremental Costs.

Folders used as inputs to USPS-FY20-NP10

Folder Number	Data/Information Used
USPS-FY20-2	Public Cost Segments and Components Report
USPS-FY20-24	Non-Operation Specific Piggyback Factors (Public Version)
USPS-FY20-NP2	International Cost and Revenue Analysis (ICRA) Report
USPS-FY20-NP4	ICRA Domestic Processing Model (Cost Matrices, Reports, Control File, & Changes)
USPS-FY20-NP11	Non-Public Cost and Revenue Analysis (NPCRA) Report
USPS-FY20-NP12	Non-Public Cost Segments and Components Report
USPS-FY20-NP13	CRA Model (Model Files, Cost Matrices, and Reports) (Non-Public Version)
USPS-FY20-NP14	CRA "B" Workpapers (Non-Public Version)
USPS-FY20-NP18	Cost Segment 3 Cost Pools & Other Related Information (Non-Public Version)
USPS-FY20-NP27	Domestic Competitive NSA and Nonpostal Materials

Folders utilizing outputs from USPS-FY20-NP10

Folder Number	Data/Information Provided
USPS-FY20-1	Public Cost and Revenue Analysis (PCRA) Report
USPS-FY20-NP11	Non-Public Cost and Revenue Analysis (NPCRA) Report

USPS-FY20-NP11

This folder is entitled: USPS-FY20-NP11, Non-Public Cost and Revenue Analysis (NPCRA) Report.

USPS-FY20-NP11, Non-Public Cost and Revenue Analysis (NPCRA) Report, displays revenues, attributable costs, volume variable costs, unit contribution, cost coverage, volumes, and weights for each of the Postal Service's products.

Predecessor Document

Docket No. ACR2019, USPS-FY19-NP11.

Corresponding Public Document

USPS-FY20-1, Public Cost and Revenue Analysis (PCRA) Report.

Folders used as inputs to USPS-FY20-NP11

Folder Number	Data/Information Used
USPS-FY20-NP2	International Cost and Revenue Analysis (ICRA) Report
USPS-FY20-NP10	Competitive Product Incremental and Group Specific Costs
USPS-FY20-NP13	CRA Model (Model Files, Cost Matrices, and Reports) (Non-Public Version)
USPS-FY20-NP26	Special Services Non-Public Cost Studies
USPS-FY20-NP27	Domestic Competitive NSA and Nonpostal Materials

Folders utilizing outputs from USPS-FY20-NP11

Folder Number	Data/Information Provided
USPS-FY20-39	Competitive Products Fund Reporting Materials
USPS-FY20-NP10	Competitive Product Incremental and Group Specific Costs

USPS-FY20-NP12

This folder is entitled: USPS-FY20-NP12, Non-Public Cost Segments and Components Report.

USPS-FY20-NP12 is an output ("C" report) of the FY 2020 Cost and Revenue Analysis (CRA) Model (USPS-FY20-NP13) that displays the volume variable and product specific costs by cost segment and component for domestic postal products and International products in aggregate. There are 17 cost segments, including Postmasters, Supervisors, Clerks and Mail Handlers, City Carrier In-Office Activities, City Carrier Street Activities, Rural Carriers, and Purchased Transportation.

Predecessor Document

Docket No. ACR2019, USPS-FY19-NP12.

Corresponding Public Document

USPS-FY20-2, Public Cost Segments and Components Report.

Folders used as inputs to USPS-FY20-NP12

Folder Number	Data/Information Used
USPS-FY20-NP13	CRA Model (Model Files, Cost Matrices, and Reports) (Non-Public Version)

USPS-FY20-NP13

This folder is entitled: USPS-FY20-NP13, CRA Model (Model Files, Cost Matrices, and Reports) (Non-Public Version).

USPS-FY20-NP13 contains the Cost and Revenue Analysis (CRA) Model along with associated cost matrices and reports. Files are provided in Excel format.

Predecessor Document

Docket No. ACR2019, USPS-FY19-NP13.

Corresponding Public Document

USPS-FY20-31, CRA Model (Model Files, Cost Matrices, and Reports) (Public Version).

Folders used as inputs to USPS-FY20-NP13

Folder Number	Data/Information Used
USPS-FY20-8	Equipment and Facility Related Costs
USPS-FY20-28	Special Services Public Cost Studies
USPS-FY20-NP14	CRA "B" Workpapers (Non-Public Version)
USPS-FY20-NP18	Cost Segment 3 Cost Pools & Other Related Information (Non-Public Version)
USPS-FY20-NP21	In-Office Cost System (IOCS) Documentation (Non-Public Version)
USPS-FY20-NP26	Special Services Non-Public Cost Studies
USPS-FY20-NP27	Domestic Competitive NSA and Nonpostal Materials
USPS-FY20-NP28	Revenue, Pieces, and Weight Report (Non-Public Version)
USPS-FY20-NP29	Cost Segments and Components Reconciliation to Financial Statements and Account Reallocations (Non-Public Version)

Folders utilizing outputs from USPS-FY20-NP13

Folder Number	Data/Information Provided
USPS-FY20-39	Competitive Products Fund Reporting Materials
USPS-FY20-NP4	ICRA Domestic Processing Model (Cost Matrices, Reports, Control File, & Changes)
USPS-FY20-NP10	Competitive Product Incremental and Group Specific Costs

USPS-FY20-9

USPS-FY20-NP11	Non-Public Cost and Revenue Analysis (NPCRA) Report
USPS-FY20-NP12	Non-Public Cost Segments and Components Report
USPS-FY20-NP19	Non-Operation Specific Piggyback Factors (Non-Public Version)

USPS-FY20-NP14

This folder is entitled: USPS-FY20-NP14, CRA “B” Workpapers (Non-Public Version).

USPS-FY20-NP14 is used to calculate volume variable and product specific costs for Market Dominant products and summary information for Competitive products for 12 of the 17 cost segments. These costs are used as inputs to USPS-FY20-NP13 (Non-Public CRA Model). USPS-FY20-NP14 contains electronic documentation of the spreadsheets and programs used to develop these costs.

USPS-FY20-32 also contains the city carrier letter route street evaluation data that is used to develop the city carrier letter route cost pools in cost segment 7. Moreover, it also contains a report named Report on Estimation of Variabilities for Customer Care Centers Fiscal Year 2020. This report displays and discusses the results of re-estimating the variability equations included in the Commission directive from Docket No. RM2015-5, Proposal Twelve.

Predecessor Document

Docket No. ACR2019, USPS-FY19-NP14.

Corresponding Public Document

USPS-FY20-32, CRA "B" Workpapers (Public Version).

Folders used as inputs to USPS-FY20-NP14

Folder Number	Data/Information Used
USPS-FY20-40	Rural Mail Count
USPS-FY20-NP7	Cost Segment 3 International Product Costs by Cost Pools
USPS-FY20-NP18	Cost Segment 3 Cost Pools & Other Related Information (Non-Public Version)
USPS-FY20-NP21	In-Office Cost System (IOCS) Documentation (Non-Public Version)
USPS-FY20-NP22	City Carrier Cost System (CCCS) Documentation (Nonpublic Version)
USPS-FY20-NP23	Rural Carrier Cost System (RCCS) Documentation (Nonpublic Version)
USPS-FY20-NP24	Transportation Cost Systems (TRACS) Documentation (Nonpublic Version)
USPS-FY20-NP28	Revenue, Pieces, and Weight Report (Non-Public Version)
USPS-FY20-NP29	Cost Segments and Components Reconciliation to Financial Statements and Account Reallocations (Non-Public Version)

Folders utilizing outputs from USPS-FY20-NP14

Folder Number	Data/Information Provided
USPS-FY20-NP4	ICRA Domestic Processing Model (Cost Matrices, Reports, Control File, & Changes)
USPS-FY20-NP6	International Cost Segment Spreadsheets
USPS-FY20-NP10	Competitive Product Incremental and Group Specific Costs
USPS-FY20-NP13	CRA Model (Model Files, Cost Matrices, and Reports) (Non-Public Version)
USPS-FY20-NP27	Domestic Competitive NSA and Nonpostal Materials

USPS-FY20-NP15

This folder is entitled: USPS-FY20-NP15, Parcel Select / Parcel Return Service Mail Processing Cost Model.

USPS-FY20-NP15 documents the mail processing unit cost estimates for the Parcel Select and Parcel Return Service price categories.

Predecessor Document

Docket No. ACR2019, USPS-FY19-NP15

Corresponding Public Document

There is no corresponding public document.

Folders used as inputs to USPS-FY20-NP15

Folder Number	Data/Information Used
USPS-FY20-7	Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY20-23	MODS Productivity Data
USPS-FY20-25	Mail Processing Piggyback Factors (Operation Specific)
USPS-FY20-NP1	Domestic Competitive Product Billing Determinants
USPS-FY20-NP18	Cost Segment 3 Cost Pools & Other Related Information (Non-Public Version)
USPS-FY20-NP20	Mail Processing Costs by Shape (Non-Public Version)

Folders utilizing outputs from USPS-FY20-NP15

Folder Number	Data/Information Provided
USPS-FY20-NP27	Domestic Competitive NSA and Nonpostal Materials

USPS-FY20-NP16

This folder is entitled: USPS-FY20-NP16, Parcel Select / Parcel Return Service Transportation Cost Model.

USPS-FY20-NP16 documents the transportation cost estimates for the Parcel Select and PRS price categories.

Predecessor Document

Docket No. ACR2019, USPS-FY19-NP16

Corresponding Public Document

There is no corresponding public document.

Folders used as inputs to USPS-FY20-NP16

Folder Number	Data/Information Used
USPS-FY20-NP14	CRA "B" Workpapers (Non-Public Version)
USPS-FY20-NP17	Parcel Select / Parcel Return Service Cube-Weight Relationship Estimation
USPS-FY20-NP19	Non-Operation Specific Piggyback Factors (Non-Public Version)
USPS-FY20-NP24	Transportation Cost Systems (TRACS) Documentation (Non-Public Version)
USPS-FY20-NP27	Domestic Competitive NSA and Nonpostal Materials

Folders utilizing outputs from USPS-FY20-NP16

Folder Number	Data/Information Provided
USPS-FY20-28	Special Services Public Cost Studies
USPS-FY20-NP27	Domestic Competitive NSA and Nonpostal Materials

USPS-FY20-NP17

This folder is entitled: USPS-FY20-NP17, Parcel Select / Parcel Return Service Cube-Weight Relationship Estimation.

This folder is used to document the econometric analysis used to estimate the cubic feet per piece for Parcel Select / Parcel Return Service (PRS) mail pieces.

Predecessor Document

Docket No. ACR2019, USPS-FY19-NP17.

Corresponding Public Document

There is no corresponding public document.

Folders utilizing outputs from USPS-FY20-NP17

Folder Number	Data/Information Provided
USPS-FY20-NP16	Parcel Select / Parcel Return Service Transportation Cost Model

USPS-FY20-NP18

This folder is entitled: USPS-FY20-NP18, Cost Segment 3 Cost Pools and Other Related Information (Non-Public Version).

USPS-FY20-NP18 documents the formation of CS 3 cost pools, the development of mail processing accrued costs and volume variable product costs by cost pool, and other related calculations that are inputs to the B Workpapers, the CRA model, special cost studies, and NSA cost models. In addition, USPS-FY20-NP18 provides expenses by finance number for CAG K-L post offices, per PRC Order No. 2837, comparable to the Excel file of CAG K-L expenses provided in USPS-FY20-NP44.

Predecessor Document

Docket No. ACR2019, USPS-FY19-NP18.

Corresponding Public Document

USPS-FY20-7, Cost Segment 3 Cost Pools and Other Related Information (Public Version).

Folders used as inputs to USPS-FY20-NP18

Folder Number	Data/Information Used
USPS-FY20-23	MODS Productivity Data
USPS-FY20-NP2	International Cost and Revenue Analysis (ICRA) Report
USPS-FY20-NP21	In-Office Cost System (IOCS) Documentation (Non-Public Version)

Folders utilizing outputs from USPS-FY20-NP18

Folder Number	Data/Information Provided
USPS-FY20-NP7	Cost Segment 3 International Product Costs by Cost Pools
USPS-FY20-NP10	Competitive Product Incremental and Group Specific Costs
USPS-FY20-NP13	CRA Model (Model Files, Cost Matrices, and Reports) (Non-Public Version)
USPS-FY20-NP14	CRA "B" Workpapers (Non-Public Version)
USPS-FY20-NP15	Parcel Select / Parcel Return Service Mail Processing Cost Model
USPS-FY20-NP20	Mail Processing Costs by Shape (Non-Public Version)
USPS-FY20-NP26	Special Services Non-Public Cost Studies
USPS-FY20-NP27	Domestic Competitive NSA and Nonpostal Materials

USPS-FY20-NP19

This folder is entitled: USPS-FY20-NP19, Non-Operation Specific Piggyback Factors (Non-Public Version).

USPS-FY20-NP19 documents development of the piggyback factors for major functions (e.g., mail processing, window service, city delivery, rural delivery, vehicle service drivers, and postmasters) for each product. Piggyback factors are employed in cost studies to augment labor cost estimates for the major functions by adding the costs associated with supervisors and administration, service-wide benefits, along with facility-related and equipment-related costs.

Predecessor Document

Docket No. ACR2019, USPS-FY19-NP19.

Corresponding Public Document

USPS-FY20-24, Non-Operation Specific Piggyback Factors (Public Version).

Folders used as inputs to USPS-FY20-NP19

Folder Number	Data/Information Used
USPS-FY20-NP13	CRA Model (Model Files, Cost Matrices, and Reports) (Non-Public Version)

Folders utilizing outputs from USPS-FY20-NP19

Folder Number	Data/Information Provided
USPS-FY20-24	Non-Operation Specific Piggyback Factors (Public Version)
USPS-FY20-NP20	Mail Processing Costs by Shape (Non-Public Version)
USPS-FY20-NP27	Domestic Competitive NSA and Nonpostal Materials

USPS-FY20-NP20

This folder is entitled: USPS-FY20-NP20, Mail Processing Costs by Shape (Non-Public Version).

USPS-FY20-NP20 provides mail processing unit costs by shape for First-Class Package Service, Parcel Select and Parcel Return Service. These costs are provided by cost pool and include piggyback or indirect costs.

Predecessor Document

Docket No. ACR2019, USPS-FY19-NP20.

Corresponding Public Document

USPS-FY20-26, Mail Processing Costs by Shape (Public Version).

Folders used as inputs to USPS-FY20-NP20

Folder Number	Data/Information Used
USPS-FY20-25	Mail Processing Piggyback Factors (Operation Specific)
USPS-FY20-NP18	Cost Segment 3 Cost Pools & Other Related Information (Non-Public Version)
USPS-FY20-NP19	Non-Operation Specific Piggyback Factors (Non-Public Version)
USPS-FY20-NP25	Mail Characteristics Study (Non-Public Version)

Folders utilizing outputs from USPS-FY20-NP20

Folder Number	Data/Information Provided
USPS-FY20-NP15	Parcel Select / Parcel Return Service Mail Processing Cost Model
USPS-FY20-NP27	Domestic Competitive NSA and Nonpostal Materials

USPS-FY20-NP21

This folder is entitled: USPS-FY20-NP21, In-Office Cost System (IOCS) Documentation (Non-Public Version).

USPS-FY20-NP21 documents the In-Office Cost System, including statistical design for and estimation of in-office labor costs. It also presents CVs (coefficients of variation) and confidence intervals for the estimates.

Predecessor Document

Docket No. ACR2019, USPS-FY19-NP21.

Corresponding Public Document

USPS-FY20-37, In-Office Cost System (IOCS) Documentation (Public Version).

Folders utilizing outputs from USPS-FY20-NP21

Folder Number	Data/Information Provided
USPS-FY20-1	Public Cost and Revenue Analysis (PCRA) Report
USPS-FY20-7	Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY20-18	Carrier Route Mail Processing Unit Costs
USPS-FY20-20	Window Service Costs by Shape
USPS-FY20-22	Bound Printed Matter Mail Processing Costs
USPS-FY20-NP2	International Cost and Revenue Analysis (ICRA) Report
USPS-FY20-NP7	Cost Segment 3 International Product Costs by Cost Pools
USPS-FY20-NP9	Miscellaneous International Data
USPS-FY20-NP11	Non-Public Cost and Revenue Analysis (NPCRA) Report
USPS-FY20-NP12	Non-Public Cost Segments and Components Report
USPS-FY20-NP13	CRA Model (Model Files, Cost Matrices, and Reports) (Non-Public Version)
USPS-FY20-NP14	CRA "B" Workpapers (Non-Public Version)
USPS-FY20-NP18	Cost Segment 3 Cost Pools & Other Related Information (Non-Public Version)

USPS-FY20-NP22

This folder is entitled: USPS-FY20-NP22, City Carrier Cost System (CCCS) Documentation (Non-Public Version).

USPS-FY20-NP22 documents the statistical design of the City Carrier Cost System (CCCS) and City Carrier Cost System – Special Purpose Route (CCCS-SPR). It contains documentation of the statistical design and the programs used to develop volume estimates for classes, products, and price categories of mail collected and delivered on city letter routes and city special purpose routes. Also included are proportions, coefficients of variation (CVs), and confidence intervals for the estimates.

Predecessor Document

Docket No. ACR2019, USPS-FY19-NP22.

Corresponding Public Document

USPS-FY20-34, City Carrier Cost System (CCCS) Documentation (Public Version).

Folders utilizing outputs from USPS-FY20-NP22

Folder Number	Data/Information Provided
USPS-FY20-19	Delivery Costs by Shape
USPS-FY20-32	CRA “B” Workpapers (Public Version)
USPS-FY20-NP6	International Cost Segment Spreadsheets
USPS-FY20-NP14	CRA “B” Workpapers (Non-Public Version)

USPS-FY20-NP23

This folder is entitled: USPS-FY20-NP23, Rural Carrier Cost System (RCCS) Documentation (Non-Public Version).

USPS-FY20-NP23 documents the statistical design of the Rural Carrier Cost System (RCCS). It contains documentation of the statistical design and the programs used to develop volume estimates for classes, products, and price categories of mail collected and delivered on rural routes. Also included are proportions, coefficients of variation, and confidence intervals for the estimates.

Predecessor Document

Docket No. ACR2019, USPS-FY19-NP23.

Corresponding Public Document

USPS-FY20-35, Rural Carrier Cost System (RCCS) Documentation (Public Version).

Folders utilizing outputs from USPS-FY20-NP23

Folder Number	Data/Information Provided
USPS-FY20-19	Delivery Costs by Shape
USPS-FY20-32	CRA "B" Workpapers (Public Version)
USPS-FY20-NP6	International Cost Segment Spreadsheets
USPS-FY20-NP14	CRA "B" Workpapers (Non-Public Version)

USPS-FY20-NP24

This folder is entitled: USPS-FY20-NP24, Transportation Cost Systems (TRACS) Documentation (Non-Public Version).

USPS-FY20-NP24 documents the development of the estimated distribution keys for purchased transportation costs. It contains documentation for the two Transportation Cost System (TRACS) subsystems, TRACS Air and TRACS Surface (Highway), used to develop these costs. It also presents coefficients of variation (CV) and confidence intervals for TRACS estimates.

Predecessor Document

Docket No. ACR2019, USPS-FY19-NP24.

Corresponding Public Document

USPS-FY20-36, Transportation Cost Systems (TRACS) Documentation (Public Version).

Folders utilizing output from USPS-FY20-NP24

Folder Number	Data/Information Provided
USPS-FY20-32	CRA "B" Workpapers (Public Version)
USPS-FY20-NP2	International Cost and Revenue Analysis (ICRA) Report
USPS-FY20-NP14	CRA "B" Workpapers (Non-Public Version)

USPS-FY20-NP25

This folder is entitled: USPS-FY20-NP25, Mail Characteristics Study (Non-Public Version)

This document includes the detailed distribution by shape and indicia by product category for Priority Mail and Parcel Select.

Predecessor Document

Docket No. ACR2019, USPS-FY19-NP25.

Corresponding Public Document

USPS-FY20-14, Mail Characteristics Study (Public Version).

USPS-FY20-NP26

This folder is entitled: USPS-FY20-NP26, Special Services Non-Public Cost Studies.

USPS-FY20-NP26 documents the cost estimates for Address Enhancement Services, Adult Signature, Competitive Post Office Box Service, Credit Card Authentication, Greeting Cards (including Gift Cards and Stationery), Package Intercept, Signature Confirmation, Shipping and Mailing Supplies, and Premium Data Retention and Retrieval Service.

Predecessor Document

Docket No. ACR2019, USPS-FY19-NP26.

Corresponding Public Document

USPS-FY20-28, Special Services Public Cost Studies

Folders used as inputs to USPS-FY20-NP26

Folder Number	Data/Information Used
USPS-FY20-1	Public Cost and Revenue Analysis (PCRA) Report
USPS-FY20-2	Public Cost Segments and Components Report
USPS-FY20-4	Domestic Market Dominant Billing Determinants
USPS-FY20-7	Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY20-24	Non-Operation Specific Piggyback Factors (Public Version)
USPS-FY20-32	CRA "B" Workpapers (Public Version)
USPS-FY20-NP1	Domestic Competitive Billing Determinants

Folders utilizing outputs from USPS-FY20-NP26

Folder Number	Data/Information Provided
USPS-FY20-NP13	CRA Model (Model Files, Cost Matrices, and Reports) (Non-Public Version)

USPS-FY20-NP27

This folder is entitled: USPS-FY20-NP27, Domestic Competitive NSA and Nonpostal Materials.

USPS-FY20-NP27 develops cost estimates for domestic competitive Negotiated Service Agreements (NSAs), market tests, and nonpostal services.

Predecessor Document

Docket No. ACR2019, USPS-FY19-NP27.

Corresponding Public Document

There is no corresponding public document.

Folders used as inputs to USPS-FY20-NP27

Folder Number	Data/Information Used
USPS-FY20-5	Cost Segment and Components Reconciliation to Financial Statements and Account Reallocations (Public Version)
USPS-FY20-NP1	Domestic Competitive Billing Determinants
USPS-FY20-NP12	Non-Public Cost Segments and Components Report
USPS-FY20-NP13	CRA Model (Model Files, Cost Matrices, and Reports) (Non-Public Version)
USPS-FY20-NP14	CRA "B" Workpapers (Non-Public Version)
USPS-FY20-NP15	Parcel Select / Parcel Return Service Mail Processing Cost Model
USPS-FY20-NP16	Parcel Select / Parcel Return Service Transportation Cost Model
USPS-FY20-NP18	Cost Segment 3 Cost Pools & Other Related Information (Non-Public Version)
USPS-FY20-NP19	Non-Operation Specific Piggyback Factors (Non-Public Version)
USPS-FY20-NP26	Special Services Non-Public Cost Studies
USPS-FY20-NP28	Revenue, Pieces, and Weight Report (Non-Public Version)

Folders utilizing outputs from USPS-FY20-NP27

Folder Number	Data/Information Provided
USPS-FY20-NP10	Competitive Product Incremental and Group Specific Costs
USPS-FY20-NP11	Non-Public Cost and Revenue Analysis (NPCRA) Report
USPS-FY20-NP13	CRA Model (Model Files, Cost Matrices, and Reports) (Non-Public Version)

USPS-FY20-NP28

This folder is entitled: USPS-FY20-NP28, Revenue, Pieces, and Weight Report (Non-Public Version).

USPS-FY20-NP28 contains the non-public version of the U.S. Postal Service Revenue, Pieces, and Weight (RPW) Report. A copy of the RPW Extract File is included as well.

Predecessor Document

Docket No. ACR2019, USPS-FY19-NP28.

Corresponding Public Document

USPS-FY20-42, Revenue, Pieces, and Weight Report (Public Version).

USPS-FY20-NP29

This folder is entitled: USPS-FY20-NP29, Cost Segments and Components Reconciliation to Financial Statements and Account Reallocations (Non-Public Version).

The Cost Segments and Components Reconciliation to Financial Statements and Account Reallocations (Non-Public Version) is an Excel workbook that adjusts amounts reflected in the general ledger for year-end audit adjustments. This results in amounts that underlie the September 30 year-end financial statements. This workbook also reallocates year-end labor contract and performance award accruals back to the appropriate labor sub-account and breaks out cost component expenses not available directly from a general ledger account but obtained from another source such as a unique finance number or a subsidiary reporting system.

Predecessor Document

Docket No. ACR2019, USPS-FY19-NP29.

Corresponding Public Document

USPS-FY20-5, Cost Segment and Components Reconciliation to Financial Statements and Account Reallocations (Public Version).

Folders utilizing outputs from USPS-FY20-NP29

Folder Number	Data/Information Provided
USPS-FY20-31	CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)
USPS-FY20-NP13	CRA Model (Model Files, Cost Matrices, and Reports) (Non-Public Version)

USPS-FY20-NP30

This folder is entitled: Service Performance Material (Non-Public Portions).

USPS-FY20-NP30 consists of three sections. The first section contains the non-public portion of the annual report on the service performance of market dominant products. The second section contains non-public materials associated with the FY 2020 Annual Performance Report and FY 2021 Annual Performance Plan. Submission of the second section is consistent with the discussion of the Commission's Analysis of the Postal Service's FY 2019 Annual Performance Report and FY 2020 Annual Performance Plan. The third section contains the commercially sensitive, non-public third-party service performance results on which financial penalties or bonuses are based and estimations of forfeited revenues based on such service performance.

Predecessor Document

Docket No. ACR2019, USPS-FY19-NP30.

Corresponding Public Document

USPS-FY20-29, Service Performance of Market Dominant Products.

USPS-FY20-NP31

This folder is entitled: Non-Public Flats Material Pursuant to Rule 3050.50.

USPS-FY20-NP31 provides the nonpublic portion of the materials required by Rule 3050.50, adopted in Order No. 5086 (May 8, 2019) at the completion of Docket No. RM2018-1. These materials constitute a variety of information and analysis relating to cost and service issues regarding flat-shaped market dominant products, and the nonpublic portion generally consists of facility-specific information.

Predecessor Document

Last year, the same material was provided in USPS-FY19-NP31. Before FY 2019, similar material was presented in previous ACR proceedings and in Docket No. RM2018-1, often in response to Information Requests.

Corresponding Public Document

Docket No. ACR2020, USPS-FY20-45, Flats Material Pursuant to Rule 3050.50.

SECTION II: METHODOLOGY CHANGES PUBLIC

USPS FY20-1: Public Cost and Revenue Analysis (PCRA) Report

No methodology changes.

USPS-FY20-2: Public Cost Segments and Components Report

Modifications:

1. On tab CS02, component 19, named Sunday/Holiday Supervisors, was added in accordance with the approval of Docket No. RM2019-12, Proposal Seven, Order No. 5395 issued on January 6, 2020.
2. On tab CS06, components 44 and 604 were renamed In-Office General Support and In-Office Route Support respectively to better describe their particular activities.

USPS-FY20-3: Worksharing Discounts

No methodology changes.

USPS-FY20-4: Domestic Market Dominant Billing Determinants

No methodology changes.

USPS-FY20-5: Cost Segment and Components Reconciliation to Financial Statements and Account Reallocations (Public Version)

No methodology changes.

USPS-FY20-6: General Classification of Accounts

The contents of USPS-FY20-6 were downloaded from the Postal Service's mainframe computer in December. Therefore, it reflects account information at that time. Account numbers and account descriptions can change on a monthly basis.

USPS-FY20-7: Cost Segment 3 Cost Pools and Other Related Information (Public Version)

No methodology changes.

USPS-FY20-8: Equipment and Facility Related Costs

There are no methodology changes to the equipment or scanner analysis.

The facility analysis relies on the same methodology that was presented in Docket No. RM2020-1, Proposal Nine, which was approved by the Commission in Order No. 5637 (August 17, 2020). Order No. 5637 directed the Postal Service to perform two additional tasks in Docket No. ACR2020. First, the Postal Service was asked to determine whether the assumption that the peak annex adjustment space should only affect the manual parcel processing operations was valid. Operations and delivery personnel have verified that the peak space is used to manually sort parcels. Second, Order No. 5637 asked the Postal Service to update the peak annex space adjustment analysis each fiscal year. This analysis has been updated. The peak annex space adjustment numbers are contained in column G in the 'FSUS Results' worksheet (page 2) in the Microsoft Excel file 'FACILITY20.xlsx'.

USPS-FY20-9: ACR Roadmap Document

No methodology changes.

USPS-FY20-10: Special Cost Studies Workpapers Letter Cost Models (First-Class and Marketing Mail)

No methodology changes.

USPS-FY20-11: Special Cost Studies Workpapers Flat Cost Models (First-Class and Marketing Mail) and Periodicals Cost Model

No methodology changes.

USPS-FY20-12: Marketing Mail Parcel Mail Processing Cost Model

No methodology changes.

USPS-FY20-13: Marketing Mail and Periodicals Destination Entry Cost Models

No methodology changes.

USPS-FY20-14: Mail Characteristics Study (Public Version)

No methodology changes.

USPS-FY20-15: Bound Printed Matter Mail Processing Cost Model and Media Mail – Library Mail Mail Processing Cost Model

No methodology changes.

USPS-FY20-16: Bound Printed Matter Transportation Cost Model and Bulk Parcel Return Service Cost Model

No methodology changes.

USPS-FY20-17: Annual Report

No methodology changes, although background information on Total Factor Productivity and OPM notifications materials that were not included previously have been added this year.

USPS-FY20-18: Carrier Route Mail Processing Unit Costs

No methodology changes.

USPS-FY20-19: Delivery Costs by Shape

USPS-FY20-19 follows the methods from PRC-LR-ACR2019/8, with the exception of changes detailed in Orders Nos. 5405 and 5583. Order No. 5405 updates the methodology regarding Special Purpose Route costing, while Order No. 5583 updates the methodology regarding Regular City Carrier street time variabilities.

USPS-FY20-20: Window Service Costs by Shape

No methodology changes.

USPS-FY20-21: Business Reply Mail Cost Model

No methodology changes.

USPS-FY20-22: Bound Printed Matter Mail Processing Costs

No methodology changes.

USPS-FY20-23: MODS Productivity Data

No methodology changes.

USPS-FY20-24: Non-Operation Specific Piggyback Factors (Public Version)

No methodology changes.

USPS-FY20-25: Mail Processing Piggyback Factors (Operation Specific)

No methodology changes.

USPS-FY20-26: Mail Processing Costs by Shape (Public Version)

No methodology changes.

USPS-FY20-27: Nonprofit Mail Cost Approximations

No methodology changes.

USPS-FY20-28: Special Services Public Cost Studies

No methodology changes.

USPS-FY20-29: Service Performance of Market Dominant Products

No methodology changes.

USPS-FY20-30: Market Dominant NSA Materials

No methodology changes.

USPS-FY20-31: CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)

Mechanical Changes:

Changes for RM2019-12, Proposal Seven:

1. Add new component 19 titled "Sunday/Holiday Supervisors" in cost segment 2, put DA under "A" Module Routine with component 49 as the DK.
2. Change "A" DK or Source Comp for component 14 Delivery Activities Supervision in cost segment 2 from 46 to 51.
3. Add row in cost segment 21 for Mon-Sat Delivery Distribution Key with component number 51.
4. Add row for Sunday/Holiday Delivery component 49 to DKMaster, with 'X' in Used in "A" Module column. There are no Addends.
5. Add row for Mon-Sat Delivery Distribution Key number 51, put an 'X' under Addends, Used in "A" Module, and Used in Rollforward.
6. Add row for component 19 in cost segment 2, and put an 'X' under the same components as other city delivery supervision components
7. Add column for new Mon-Sat Delivery Distribution Key 51, put an 'X' for cost segment 7 components 47 Delivery Activities and 48 Product Specific Delivery Activities.

Other Changes:

8. Change title of component 44 in cost segment 6 to "In-Office General Support"

9. Change title of component 604 in cost segment 6 to “In-Office Route Support”

USPS-FY20-32: CRA “B” Workpapers (Public Version)

Modifications:

Cost Segments 6&7:

The city carrier cost model workbook was modified to correspond to Commission Order No. 5405 (January 14, 2020) from Docket No. RM2019-6, Proposal One (city carrier special purpose route costs) and to agree with Commission Order No. 5395 from Docket No. RM2019-12, Proposal Seven (city carrier Sunday/holiday supervisor costs).

The specific modifications to the workbooks from these two dockets are described on tab ‘Changes’ starting at cell A165.

Lastly, two components were renamed to better describe the activities included in them. Specifically, component In-Office Support Overhead was renamed In-Office Support General and component In-Office Support Other was renamed In-Office Route Support. These changes are also included on the tab ‘Changes’ starting at cell A186.

USPS-FY20-33: Consumer Access to Postal Services

No methodology changes.

USPS-FY20-34: City Carrier Cost System (CCCS) Documentation (Public Version)

Because of disruptions caused by the COVID-19 pandemic in the normal staffing and completion of data collection, scan data from the Product Tracking and Reporting (PTR) system were used as replacement sample data for 39 CCCS-SPR tests that had to be cancelled during PQ3.

USPS-FY20-35: Rural Carrier Cost System (RCCS) Documentation (Public Version)

No methodology changes.

USPS-FY20-36: Transportation Cost Systems (TRACS) Documentation (Public Version)

No methodology changes.

USPS-FY20-37: In-Office Cost System (IOCS) Documentation (Public Version)

For FY20, IOCS methodology is the same as described in Docket ACR2019: USPS-FY19-37, except for the changes listed below.

Following Order No. 5548 (September 25, 2020), Docket No. RM2020-10, IOCS Cluster has replaced IOCS as the methodology for city carriers, including city carriers clocked as supervisors.

The panel of finance numbers for CAG E was rotated in FY2020. The IOCS Non-Cluster CAG E employee sampling rates by employee crafts were changed.

Following Order No. 5133 (January 14, 2020), Docket No. RM2019-6, Time and Attendance Collection System (TACS) data are now used in the calculation of attributable Special Purpose Route (SPR) carrier costs.

USPS-FY20-38: USPS Market Dominant Product Customer Experience (CX) Survey Instruments and Results

No methodology changes.

USPS-FY20-39: Competitive Products Fund Reporting Materials

No methodology changes.

USPS-FY20-40: Rural Mail Count

No methodology changes.

USPS-FY20-41: International Market Dominant Billing Determinants

For the Inbound Letter Post product materials, the methodology follows that of PRC-LR-ACR2019-12 (September 18, 2020), except that for FY 2020, the components of the product as defined in the MCS changed after the first quarter of the fiscal year. Consequently, data for FY 2020 are split into one column for Quarter 1, and another column for Quarters 2-4.

USPS-FY20-42: Revenue, Pieces, and Weights Report (Public Version)

USPS-FY20-42 generally uses the same methodologies to produce previous RPW reports, but also reflects the following specific changes:

Commission Order No. 5515 (May 19, 2020) regarding reporting methodology “for measuring the national totals of non-contract mailpieces in domestic parcel mail categories bearing PC Postage indicia from postage evidencing systems” by

replacing statistical sampling estimates with corresponding census transactional data. See Proposal One in Docket No. RM2020-6.

Beginning in FY2020, the RPW Report became SOX in-scope and is now audited by the Postal Service's external auditors as part of the Form 10K financial statement material. As such, numerous SOX controls and processes were instituted this year that made it infeasible within the Form 10K reporting time frame to revise Quarters 1, 2, and 3. Consequently, for the Form 10K materials, the versions of Quarters 1, 2, and 3 as originally submitted in quarterly periodic reports (i.e., unrevised) were used. In contrast, and in accordance with past practices, versions of RPW for Quarters 1, 2, and 3 that do reflect the normal revisions are being submitted in USPS-FY20-42. Likewise, revised data for those quarters are incorporated into the annual RPW report presented herein.

USPS-FY20-43: Market Dominant Product Incremental Costs

No methodology changes.

USPS-FY20-44: Update to Periodicals Pricing Report

No methodology changes.

USPS-FY20-45: Flats Material Pursuant to Rule 3050.50

No methodology changes.

SECTION II: METHODOLOGY CHANGES NON-PUBLIC

USPS-FY20-NP1: Domestic Competitive Billing Determinants

No methodology changes.

USPS-FY20-NP2: International Cost and Revenue Analysis (ICRA) Report

This folder was affected by the methodology changes associated with the following rulemaking docket that was conducted over the past year.

RM2020-11 (Order No. 5693) Proposal Four – Using additional data from the Foreign Postal Settlement (FPS) system to distribute international mail settlement expenses.

USPS-FY20-NP3: International Cost Segments and Components Report

No methodology changes.

USPS-FY20-NP4: ICRA Domestic Processing Model (Cost Matrices, Reports, Control File, and Changes)

No methodology changes.

USPS-FY20-NP5: ICRA Overview/Technical Description

No methodology changes.

USPS-FY20-NP6: International Cost Segment Spreadsheets

No methodology changes.

USPS-FY20-NP7: Cost Segment 3 International Product Costs by Cost Pools

No methodology changes.

USPS-FY20-NP8: International Competitive Billing Determinants

No methodology changes.

USPS-FY20-NP9: Miscellaneous International Data

No methodology changes.

USPS-FY20-NP10: Competitive Product Incremental and Group Specific Costs

No methodology changes.

USPS-FY20-NP11: Non-Public Cost and Revenue Analysis (NPCRA) Report

Modifications to NPCRA Report and NPCRA Expanded Workbooks:

1. A row was added to report the competitive amounts of ***First-Class Package Service Fees***.
2. A row was added to report the competitive amounts of ***Inbound Letter Post Small Packets/Bulky Letters*** consistent with the transfer approved by the Commission in Docket No. MC2019-17, Order No. 4980, January 9, 2019.

USPS-FY20-NP12: Non-Public Cost Segments and Components Report

Modifications:

1. On tab CS02, component 19, named Sunday/Holiday Supervisors, was added in accordance with the approval of Docket No. RM2019-12, Proposal Seven, Order No. 5395 issued on January 6, 2020.
2. On tab CS06, components 44 and 604 were renamed In-Office General Support and In-Office Route Support respectively to better describe their particular activities.

USPS-FY20-NP13: CRA Model (Model Files, Cost Matrices, and Reports) (Non-Public Version)

Mechanical Changes:

Changes for RM2019-12, Proposal Seven:

1. Add new component 19 titled "Sunday/Holiday Supervisors" in cost segment 2, put DA under "A" Module Routine with component 49 as the DK.
2. Change "A" DK or Source Comp for component 14 Delivery Activities Supervision in cost segment 2 from 46 to 51.
3. Add row in cost segment 21 for Mon-Sat Delivery Distribution Key with component number 51.
4. Add row for Sunday/Holiday Delivery component 49 to DKMaster, with 'X' in Used in "A" Module column. There are no Addends.
5. Add row for Mon-Sat Delivery Distribution Key number 51, put an 'X' under Addends, Used in "A" Module, and Used in Rollforward.
6. Add row for component 19 in cost segment 2, and put an 'X' under the same components as other city delivery supervision components

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7. Add column for new Mon-Sat Delivery Distribution Key 51, put an 'X' for cost segment 7 components 47 Delivery Activities and 48 Product Specific Delivery Activities.

Other Changes:

8. Change title of component 44 in cost segment 6 to "In-Office General Support"
9. Change title of component 604 in cost segment 6 to "In-Office Route Support"

USPS-FY20-NP14: CRA "B" Workpapers (Non-Public Version)

Modifications:

Cost Segments 6&7:

The city carrier cost model workbook was modified to correspond to Commission Order No. 5405 (January 14, 2020) from Docket No. RM2019-6, Proposal One (city carrier special purpose route costs) and to agree with Commission Order No. 5395 from Docket No. RM2019-12, Proposal Seven (city carrier Sunday/holiday supervisor costs).

The specific modifications to the workbooks from these two dockets are described on tab 'Changes' starting at cell A165.

Lastly, two components were renamed to better describe the activities included in them. Specifically, component In-Office Support Overhead was renamed In-Office Support General and component In-Office Support Other was renamed In-Office Route Support. These changes are also included on the tab 'Changes' starting at cell A186.

USPS-FY20-NP15: Parcel Select / Parcel Return Service Mail Processing Cost Model

No methodology changes.

USPS-FY20-NP16: Parcel Select / Parcel Return Service Transportation Cost Model

No methodology changes.

USPS-FY20-NP17: Parcel Select / Parcel Return Service Cube-Weight Relationship Estimation

No methodology changes.

USPS-FY20-NP18: Cost Segment 3 Cost Pools & Other Related Information (Non-Public Version)

No methodology changes.

USPS-FY20-NP19: Non-Operation Specific Piggyback Factors (Non-Public Version)

No methodology changes.

USPS-FY20-NP20: Mail Processing Costs by Shape (Non-Public Version)

No methodology changes.

USPS-FY20-NP21: In-Office Cost System (IOCS) Documentation (Non-Public Version)

Following Order No. 5548 (September 25, 2020), Docket No. RM2020-10, IOCS Cluster has replaced IOCS as the methodology for city carriers, including city carriers clocked as supervisors.

The panel of finance numbers for CAG E was rotated in FY2020. The IOCS Non-Cluster CAG E employee sampling rates by employee crafts were changed.

Following Order No. 5133 (January 14, 2020), Docket No. RM2019-6, Time and Attendance Collection System (TACS) data are now used in the calculation of attributable Special Purpose Route (SPR) carrier costs.

USPS-FY20-NP22: City Carrier Cost System (CCCS) Documentation (Non-Public Version)

Because of disruptions caused by the COVID-19 pandemic in the normal staffing and completion of data collection, scan data from the Product Tracking and Reporting (PTR) system were used as replacement sample data for 39 CCCS-SPR tests that had to be cancelled during PQ3.

USPS-FY20-NP23: Rural Carrier Cost System (RCCS) Documentation (Non-Public Version)

No methodology changes.

USPS-FY20-NP24: Transportation Cost Systems (TRACS) Documentation (Non-Public Version)

No methodology changes.

USPS-FY20-NP25: Mail Characteristics Study (Non-Public Version)

No methodology changes.

USPS-FY20-NP26: Special Services Non-Public Cost Studies

In FY20, the Postal Service began reporting the credit card fees associated with the product Premium Data Retention and Retrieval Service.

USPS-FY20-NP27: Domestic Competitive NSA and Nonpostal Materials

No methodology changes.

USPS-FY20-NP28: Revenue, Pieces, and Weight Report (Non-Public Version)

USPS-FY20-NP28 generally uses the same methodologies to produce previous RPW reports, but also reflects the following specific changes:

Commission Order No. 5515 (May 19, 2020) regarding reporting methodology “for measuring the national totals of non-contract mailpieces in domestic parcel mail categories bearing PC Postage indicia from postage evidencing systems” by replacing statistical sampling estimates with corresponding census transactional data. See Proposal One in Docket No. RM2020-6.

Beginning in FY2020, the RPW Report became SOX in-scope and is now audited by the Postal Service’s external auditors as part of the Form 10K financial statement material. As such, numerous SOX controls and processes were instituted this year that made it infeasible within the Form 10K reporting time frame to revise Quarters 1, 2, and 3. Consequently, for the Form 10K materials, the versions of Quarters 1, 2, and 3 as originally submitted in quarterly periodic reports (i.e., unrevised) were used. In contrast, and in accordance with past practices, versions of RPW for Quarters 1, 2, and 3 that do reflect the normal revisions are being submitted in USPS-FY20-NP28. Likewise, revised data for those quarters are incorporated into the annual RPW report presented herein.

USPS-FY20-NP29: Cost Segments and Components Reconciliation to Financial Statements and Account Reallocations (Non-Public Version)

No methodology changes.

USPS-FY20-NP30: Service Performance Material (Non-Public Portions)

No methodology changes.

USPS-FY20-NP31: Non-Public Flats Material Pursuant to Rule 3050.50

No methodology changes.

SECTION III:

Material in Response to COMMISSION RULE 3050.12

In Order No. 203, issued April 16, 2009, the Commission introduced new rules regarding special studies. Section 3050.12, Obsolescence, requires the Postal Service to: “provide a list of special studies whose results are used to produce the estimates in its annual periodic reports to the Commission. It shall indicate the date the study was completed and whether the study reflects current operating conditions and procedures. The Postal Service shall update the list annually.”

As there has not been a determination establishing the definition of and listing of the “special studies” to which this rule applies, the Postal Service submits that it is characterizing “special studies” as those analyses that cannot be updated routinely by reference to information contained in ongoing data systems. Analyses that rely solely on information collected and maintained on an ongoing basis in such systems as IOCS, TRACS, CCCS, RCCS, MODS, webEOR, PostalOne!, and other postal databases can be routinely updated and will never be considered “obsolete.” Therefore, such analyses are not being considered “special studies” for purposes of complying with §3050.12. Any studies relying on material developed from the ongoing data systems will necessarily contain documentation that provides the time period for which the data were collected.

For some studies, the data collection was a point in time and all data contained in the study is of the same vintage. For those studies, the “date the study was completed” is relatively easy to ascertain. For other special studies that rely on a variety of inputs from a variety of sources, the “date the study was completed” is not as obvious. Therefore, for each special study of that nature, a short litigation history is provided, describing the dockets in which significant changes to the model were introduced.

As with regard to the “date the study was completed”, there are two types of special studies. The first type of study is one in which the data collection took place at one point in time. For purposes of this document, these studies are referred to as “Periodic Studies.” The question that must be answered for Periodic Studies is whether the information collected when the studies were conducted adequately reflects the processes in place during the fiscal year for which the ACR was prepared. The second type of study is one comprised of a model of postal processes that relies on input data from various sources, some from ongoing data systems, and some from periodic data collection efforts, which are used to estimate costs. For purposes of this document, these studies are referred to as “Cost Model Studies.” The questions that must be answered for Cost Model Studies are: (1) whether the modeled processes accurately represent actual processes in place during the fiscal year for which the ACR was prepared, and (2) whether the inputs used to populate the models are of recent enough vintage to reasonably be used to develop cost estimates for that fiscal year. With regard to the requirement that the Postal Service indicate “whether the study reflects current operating conditions and procedures”, the Postal Service interprets that

requirement to mean that the processes represented were those in place during the fiscal year for which the study results are presented.

Finally, with regard to longer term data collection requirements, the Commission established Docket No. RM2011-3 named 'Priorities for Future Data Collection and Analytical Work Relating to Periodic Reporting'.¹ During its existence, the Postal Service addressed two research topics under this docket: (1) highway variabilities, and (2) city carrier letter route street costs. The Commission approved both proposals proffered by the Postal Service.² In November 2015, the Commission closed the docket.³

Studies Subject to § 3050.12

In accordance with Commission reporting rule 3050.12, the Postal Service is providing the following list of Periodic Studies and Cost Model Studies whose results are used to produce estimates in its annual compliance reports.

Periodic Studies

Postmaster Variability Study

The Postmaster Variability Study was completed in 1984. The study used an operational dataset from the Work Service Credit (WSC) system for postmasters at level EAS-23 offices and below to estimate the variability of their costs with respect to volume. At EAS-24 offices and above, the postmaster variability of cost with respect to volume is assumed to be zero. Both the estimated variability for the lower level offices and the supposition of no causal relationship between postmaster costs and changes in volume at EAS-24 offices and above have historically been used in the ACR.

In Docket No. RM2020-2, Proposal Ten, the Postal Service presented a study in which the postmaster variability values were updated and improved. The study was designed to reflect WSC system changes that had been implemented over time. In addition, it was possible to conduct more robust econometric analyses due to the fact that postmaster workload data are now routinely collected for operational purposes. In total, the dataset contained over 13,000 observations. In contrast, the dataset from the 1984 study contained only ten data points due to the lack of available data at the individual office level at that time. While several model specifications were evaluated, the Postal Service ultimately proposed that logistical models, or "logit" models, be used to estimate the variability values. Unlike the previous study, variability values were estimated for each post office EAS category. As a result, volume variable costs are also calculated by post office EAS category in the proposed model.

¹ See Order No. 589, November 18, 2010.

² Highway Variabilities: See Docket No. RM2014-6, Proposal Six, Order No. 2180, September 10, 2014. City Carrier Letter Route Street Model: See Docket No. RM2015-7, Proposal Thirteen, Order No. 2792, October 29, 2015.

³ See Order No. 2798, November 3, 2015.

Docket No. RM2020-2 was initiated on November 29, 2019. The Commission has not yet had an opportunity to rule on Proposal Ten. If the Commission were to approve Proposal Ten, the postmaster variability values would reflect the operational environment in the ACR fiscal year.

Special Purpose Route Studies

In Docket No. RM2019-6, Proposal One, the Postal Service presented an updated and improved methodology for calculating the SPR carrier costs. A new study was conducted that reflected the substantial changes to SPR carrier operations that have occurred over time. These changes included Sunday delivery, additional peak season processing, mail mix changes, differing pay structures among craft employees, and improved data collection capabilities. Using a combination of Time and Attendance Collection System (TACS) data and operational scanning data, it was possible to include data from all SPR locations in the country while also including all SPR activity hours. Data were collected for one week in each fiscal quarter for analysis providing needed seasonal volume insight for SPR carriers while also accounting for the different pay structures among carriers that may have delivered volume in an SPR capacity. Several model specifications were evaluated. The data were ultimately used to estimate separate variability values for more representative and concise cost pools: regular delivery (Monday through Saturday), Sunday delivery, and mail collection. The Commission approved RM2019-6 in Order No. 5405. The new methodology is used in USPS-FY20-19 to reflect the current operating environment.⁴

Vehicle Service Driver Study

The Vehicle Service Driver (VSD) Study was completed in 1993 and its findings accepted in Docket No. R97-1. Vehicle service drivers provide transportation between post offices, stations and branches, other postal facilities including air mail facilities, and some private firms. The study estimated a composite variability of vehicle service driver labor costs with respect to changes in volume. Data sources for the study consisted of a survey of plants and facilities that employ VSD and Postal Service Form 4533 that details route and scheduling information. The composite variability is used in the ACR to determine volume variable costs for vehicle service drivers (cost segment 8).

Because driving activities for vehicle service drivers have generally remained the same, the results of the study reflect the operational environment in the ACR fiscal year. However, network changes may necessitate updating the current variability estimate. VSD volume variable costs are assigned to products based on cubic-foot leg proportions estimated by the ongoing Transportation Cost Systems – Vehicle Service Drivers subsystem (TRACS-VSD). See Docket No. RM2012-5, Order 1462, Proposal Five, September 10, 2012.

⁴ See Docket No. RM2019-6, Proposal One, Order No. 5405, January 14, 2020.

Highway Variability Study

The variability of purchased highway transportation cost with respect to volume is estimated to be the product of two other variabilities: the variability of cost with respect to capacity and the variability of capacity with respect to volume. In Docket No. RM2014-6, the Postal Service presented, and the Commission accepted, updated measures of the relationship between purchased highway transportation cost and capacity.⁵ In Docket No. RM2016-12, the Postal Service presented, and the Commission accepted, updated measures of the relationship between purchased highway transportation capacity and volume.⁶ These variabilities are used in the ACR. Because the highway contract network has remained stable since these updates were completed, the variabilities generally reflect the operating environment in the ACR fiscal year.

Surface Density Study

Letter and flat surface densities were last updated in 2009. Parcel densities are now updated annually with TRACS data. The surface densities are used in the ACR to assign relevant costs for vehicle service drivers and purchased surface transportation. Because parcel densities are updated annually with TRACS data and letter and flat densities have shown consistency through time, the surface densities reflect the operating environment in the ACR fiscal year.

City Carrier Collection Mail Volume and Source Study (CCCMVSS)⁷

The CCCMVSS was conducted in the spring of 2013 for two weeks and its findings were incorporated into the new letter route street time cost model that was accepted by the Commission.⁸ The CCCMVSS sampled 300 ZIP Codes and had city carriers measure and record their collection volume by source. The three possible sources were: (1) customer receptacles, (2) dedicated collection points, and (3) containerized mail from businesses. The collection volumes were included in the regular delivery equation and a separate variability for collection mail was estimated. Because collection volumes have not materially changed since the study was conducted, the findings of the study reflect the operating environment in the ACR fiscal year.

City Carrier Package and Accountable Study (CCPAS)⁹

The CCPAS was conducted in the spring of 2014 for two weeks and its findings were incorporated into the new letter route street time cost model that was accepted by the

⁵ See Docket No. RM2014-6, Proposal Six, Order No. 2180, September 10, 2014.

⁶ See Docket No. RM2016-12, Proposal Four, Order No. 3973, June 22, 2017.

⁷ For more detailed information about the CCCMVSS, see USPS-RM2015-7/1, Report on the City Carrier Street Time Study at 27.

⁸ See Docket No. RM2015-7, Proposal Thirteen, Order No. 2792, October 29, 2015.

⁹ For more detailed information about the CCPAS, see USPS-RM2015-7/1, Report on the City Carrier Street Time Study at 91.

Commission.¹⁰ The CCPAS sampled the same 300 ZIP Codes used in the CCCMVSS. CCPAS had carriers measure their street time associated with delivering: (1) in-receptacle parcels, (2) deviation parcels, and (3) accountables by scanning specially designed barcodes. Corresponding volumes by type were also recorded daily. The information collected from the study was used to estimate separate variabilities for in-receptacle parcels, deviation parcels, and accountables. Because street activities associated with the delivery of parcels and accountables have not materially changed, the findings of the study generally reflect the operating environment in the ACR fiscal year.

Facility Space Usage Study

The Facility Space Usage Study was completed in 1999, and its findings accepted in Docket No. R2005-1. The survey assigned the amount of facility space and rental costs to major operations and functions. The 1999 survey included 750 facilities with 50 million square feet of interior space that were selected using a stratified random sample. Data were collected on the amount of facility space used for each operation and function for the facilities selected. While the survey included only two percent of the Postal Service's facilities, the survey's focus on large facilities resulted in over one-sixth of the Postal Service's 300 million square feet being surveyed. The study estimates of facility space by category have been adjusted annually, based on information on equipment deployments, operational changes and overall Postal Service facility space growth. These adjusted data provide the shares of facility space and rental costs by operation, which are used to apportion facility costs (rents, depreciation, custodial activities, utilities, and building maintenance). These shares are called the facility space and rents factors and are used in the F Report in the ACR.

In Docket No. RM2020-1, Proposal Nine, the Postal Service presented an update to the facility-related cost methodology. This proposal included the results from a new Facility Space Usage Study that was conducted over a two-year period. The Postal Service began the planning process for a new study in 2017. The data collection phase of the study began in early 2018 and ended roughly 18 months later. The sample frame included 11 mail processing strata and six delivery strata. Space data from the layouts representing 103 mail processing facility groupings and 150 delivery and retail units were collected and disaggregated into space by operation and function. The sample statistics were used to inflate the space data into population estimates using "combined ratio" estimation.

The results from the study are used as inputs to the facility portion of the analysis that is typically filed in USPS-FY19-8. The Postal Service also proposed changes to USPS-FY19-8 in Proposal Nine. The Commission approved Proposal Nine in Order No. 5637 (August 17, 2020).

¹⁰ See Docket No. RM2015-7, Proposal Thirteen, Order No. 2792, October 29, 2015.

Window Service Transaction Study

The Window Service Transaction Time Study was completed in 2005 and its findings accepted in Docket No. R2006-1. The study measured transaction times by type using a national sample of post offices. The data were used to estimate variabilities of window service costs with respect to different transaction types (e.g., weigh and rate and selling stamps). In the ACR, the estimated variabilities based on the study are used to calculate window service volume variable costs by product.

Because window activities have remained largely unchanged since the study was conducted, its results generally reflect the operating environment in the ACR fiscal year. This study should be updated as resources permit to account for possible operational changes that have occurred at the retail window and to take into consideration new retail products.

Cost Model Studies

Letter Cost Models (First-Class Mail and USPS Marketing Mail)

The First-Class Mail presort letters and cards and Marketing Mail presort letters mail processing cost models rely on the overall Docket No. R2006-1 Postal Regulatory Commission methodology, a “hybrid” cost methodology that uses both CRA mail processing unit costs and model-based mail processing unit costs to estimate the mail processing unit costs by price category. For First-Class Mail presort letters and cards, worksharing related savings estimates are calculated using cost benchmarks.

In Docket No. RM2009-3, Order No. 536 (September 14, 2010), the Commission effectively rejected the continued use of the bulk metered mail (BMM) letters cost benchmark. However, no new benchmark was established in that docket. Instead, Order No. 537 (September 14, 2010) established Docket No. RM2010-13 as a proceeding in which interested parties could address cost benchmark issues.

The Commission issued Order No. 1320 (April 20, 2012), establishing the broader metered mail category (an aggregate of metered, IBI, and PVI letters) as the First-Class Mail letters benchmark. From a cost standpoint, the mail processing unit cost estimate for this category of mail has been used as the BMM letters proxy for several years. This portion of the ruling therefore had no impact on the cost avoidance estimates.

Order No. 1320 also determined that the delivery unit cost estimate that most closely approximates the benchmark delivery costs was the non-automation machinable mixed AADC (NAMMA) delivery unit cost estimate. This estimate had also been used as the BMM letters proxy for several years. This portion of the ruling therefore also had no impact on the cost avoidance estimates.

The Commission did, however, implement a methodology change in Order No. 1320 that increased the cost avoidance estimates. Specifically, the Commission ruled that 60 percent of the collection costs should be incorporated into the cost avoidance estimates.

Other modifications have been made to the letter models since the Commission issued its Opinion and Recommended Decision in Docket No. R2006-1. In Docket No. ACR2008, the Postal Service presented an updated version of the automated and manual density tables, which the Commission subsequently approved.

In Docket No. RM2011-5, Proposal Nine, the Postal Service recommended that the following input data should be incorporated into the letter cost models: (1) a revised automation density table, (2) a revised manual density table, (3) a post office box destination percentage developed using carrier piece count (CPC) data, (4) a modified plant carrier route finalization percentage, (5) new manual incoming secondary and post office box walling productivity data that were collected during a 2010 field study, and (6) a revised remote bar code system (RBCS) leakage target. The Postal Service also recommended the incorporation of a new bundle sorting methodology.

In Order No. 741 (June 3, 2011), the Commission approved all of the proposed changes except the new productivity values and the use of the RBCS leakage target. The Commission rejected the new productivity values due to concerns about the level of variation exhibited by the data. Given that the incoming secondary manual sorting operation and the walling operation had not changed significantly since the previous study was conducted, they determined that the model should continue to rely on the older productivity values. The Commission also ruled that the use of actual leakage rate data was preferable to the use of leakage targets, despite the age of the data.

The Postal Service proposed the addition of new mail processing cost pools in Docket No. RM2011-12, Proposals Five and Six. The Commission subsequently approved those proposals in Order No. 920 (October 21, 2011).

In the 2010 Annual Compliance Determination (ACD), the Commission directed the Postal Service to disaggregate the mail processing unit cost estimates for the USPS Marketing Mail presort letters non-automation machinable MAADC and AADC price categories. The Postal Service filed a revised USPS Marketing Mail presort letters mail processing cost model in response to that directive, in Docket No. RM2012-1, Proposal Twelve. The Commission approved Proposal Twelve in Order No. 1153 (January 20, 2012). For consistency reasons, the Postal Service also proposed that the same change should be made to the First-Class Mail presort letters and cards mail processing cost model in Docket No. RM2012-2, Proposal Nineteen. The Commission approved Proposal Nineteen in Order No. 1383 (June 26, 2012).

In Docket No. RM2014-1, Proposal Eight, the Postal Service proposed changes to MODS operation groups that are used as inputs for the cost models. The changes included: (1) discontinuation of LIPS, ISS/OSS Return to Sender groups, and (2) consolidation of Manual Letters into Outgoing and Incoming groups. The Postal Service

provided revised USPS-FY12-10 cost models to show the impact of the proposal. The Commission issued Order No. 2076 (May 8, 2014) ruling on each proposed change.

The Postal Service presented a reorganization of the MODS, NDC, and NONMODS mail processing cost pools in Docket No. RM2018-10, Proposal Seven. The Commission subsequently approved Proposal Seven in Order No. 4855 (October 12, 2018). The cost pools presented in the 'CRA – Metered Letters', 'CRA – Presort Letters', 'CRA – Presort Cards' worksheets of the USPS-FY18-10 First-Class Mail and "CRA – Presort Letters" worksheet of the Marketing Mail letters mail processing cost models were modified to comply with the Order No. 4855 methodology.

In Docket No. RM2019-1, Proposal Eight, the Postal Service proposed three modifications to the letter cost models. Modification 1 changed the mapping of the entry-point of automation MAADC mail from Outgoing Secondary to Outgoing Primary to reflect current operating flows. Modification 2 corrected the Delivery Barcode Sorter Input/Output Sub-System (DIOSS) operations' treatment of rejects to that of traditional OSS/ISS operations for treatment of pieces flowing to manual operations and to OSS operations. Modification 3 proposed a new calculation of the benchmark for USPS Marketing Mail automation MAADC to determine the value of the barcode. The Commission issued Order No. 4894 (November 28, 2018) approving each proposed modification.

As the processing environment for letters has been stable in recent years, the letters and cards mail processing models (USPS-FY20-10) can be viewed as representing the operating conditions in the ACR fiscal year. In addition, the age of the cost model input data should ensure that the cost estimates are robust, based on past Commission comments in the rulings cited above.

Flats Cost Models (First-Class Mail, Marketing Mail, and Periodicals Outside-County)

The First-Class Mail presort flats, Marketing Mail presort flats, and Periodicals Outside-County flats mail processing cost models rely on the Docket No. R2006-1, Commission methodology. Several modifications have been made to the flat models since the Commission issued its Opinion and Recommended Decision in Docket No. R2006-1.

In Docket No. ACR2007, the Postal Service made several improvements to the Periodicals cost model in order to resolve internal inconsistencies.

In Docket No. RM2009-1, Proposal Twelve, the Postal Service proposed thirteen modifications that involved the updating of old parameters and the development of new parameters for the flat cost models. In Order No. 170 (January 12, 2009), the Commission approved twelve of the thirteen postal proposals. The thirteenth proposal was approved with a refinement proposed by Time Warner.

In Docket No. RM2009-10, Proposal Twelve, the Postal Service filed a version of the Periodicals cost model in order to clarify the manner in which the "auto/mech" incoming

secondary coverage factor should be applied. The Commission approved Proposal Twelve in Order No. 339 (November 13, 2009).

In Docket No. RM2010-4, Proposal Twenty-Five, the Postal Service presented three modifications for the flats cost models. The Commission approved Proposal Twenty-Five in Order No. 399 (January 27, 2010).

The Postal Service proposed the addition of new mail processing cost pools in Docket No. RM2011-12, Proposal Five and Proposal Six. The Commission approved those proposals in Order No. 920 (October 21, 2011).

In Docket No. RM2012-2, Proposal Eighteen, the Postal Service presented four modifications for the flats cost models. The Commission approved Proposal Eighteen, with one refinement, in Order No. 1383 (June 26, 2012).

In Docket No. RM2012-8, Proposal Nine, the Postal Service presented eight modifications for the flats cost models. The Commission issued Order No. 1656 (February 14, 2013) ruling on all modifications.

In Docket No. RM2014-1, Proposal Eight, similar to the above mentioned in the letter cost models section, the Postal Service proposed changes to the MODS operation groups used as inputs for the cost models. The changes included: (1) discontinuation of LIPS, and (2) consolidation of UFSM1000 and Manual Flats into corresponding Outgoing and Incoming groups. The Postal Service provided revised USPS-FY12-11 cost models to show the impact of the proposal. The Commission issued Order No. 2076 (May 8, 2014), ruling on each proposed change.

On August 5, 2015, the Postal Service filed Proposals Seven through Nine (Docket Nos. RM2015-16 through RM2015-18 respectively) in response to the Commission's directives on page 63 in Order No. 2472 (May 7, 2015).

Proposal Seven Section One (Docket No. RM2015-16) proposed to modify the modeling methodology used in the USPS Marketing Mail Flats Cost Model so as to produce estimates of mail processing cost avoidances of Flats Sequencing System (FSS) presorted USPS Marketing Mail Flats. The Commission approved Proposal Seven Section One in Order No. 2839 (November 25, 2015).

Proposal Seven Section Two (Docket No. RM2015-16) proposed to disaggregate the delivery costs for Periodicals Flats, USPS Marketing Mail Flats, Bound Printed Matter Flats, and Carrier Route Flats between those destinating in FSS and Non-FSS zones. The Commission approved Proposal Seven Section Two in Order No. 2839 (November 25, 2015).

Proposal Eight (Docket No. RM2015-17) proposed to modify the modeling methodology used in the USPS Marketing Mail flats cost model so as to produce estimates of mail

processing cost avoidances for Carrier Route pieces on 5-Digit Carrier Routes pallets. The Commission approved Proposal Eight in Order No. 2742 (October 1, 2015).

Proposal Nine (Docket No. RM2015-18) proposed to explain the changes in the Periodicals cost model to explicitly identify the bottom-up costs of processing Carrier Route Pallets. The Commission approved Proposal Nine in Order No. 2741 (October 1, 2015).

The Postal Service presented a reorganization of the MODS, NDC, and NONMODS mail processing cost pools in Docket No. RM2018-10, Proposal Seven. The Commission subsequently approved Proposal Seven in Order No. 4855 (October 12, 2018). The cost pools presented in the 'CRA Presort Flats' and 'CRA flats', worksheets of the USPS-FY18-11 First-Class Mail flats and Marketing Mail flats mail processing cost models respectively were modified to comply with the Order No. 4855 methodology.

Over time, the Postal Service has continuously tried to improve the flats mail processing cost models. The First-Class Mail presort flats, USPS Marketing Mail presort flats, and Periodicals Outside-County flats mail processing cost models (USPS-FY20-11) can therefore be viewed as representing the operating conditions in the ACR fiscal year. In addition, the age of the cost model input data should ensure that the cost estimates are robust.

Marketing Mail Parcel Mail Processing Cost Model

Prior to Docket No. R2006-1, the Postal Service did not develop and maintain a USPS Marketing Mail parcel mail processing cost model because there was no need to do so. USPS Marketing Mail flats and parcels were both assessed "nonletter" prices, with parcels also being assessed a residual shape surcharge. In Docket No. R2006-1, the Postal Service proposed separate and distinct prices for USPS Marketing Mail flats and parcels, and proposed a new classification for "not flat-machinable" (NFM) mail pieces. NFMs were classified to be mail pieces that were typically assessed flats prices, but were often processed as parcels.

In the absence of any formal USPS Marketing Mail parcel mail processing cost model, a cost analysis to support these proposals was provided in Docket No. R2006-1, USPS-LR-L-45. This analysis estimated the additional mail processing costs required to process parcels and NFM mail pieces in comparison to an average USPS Marketing Mail flat. This study was subsequently updated in Docket Nos. ACR2007, ACR2008, and ACR2009.

This study did not develop unique costs for NFMs because many of the usual data elements (conversion factors, downflow densities, etc.) required by mail flow models had not been available for NFMs in isolation from parcels. In its 2008 ACD, the Commission directed the Postal Service to develop "reliable cost data for these

categories and make the necessary adjustments to discounts to reflect 100 percent or less of the avoided costs.” ACD2008, page 70.

In response to that directive, the Postal Service introduced a new model in Docket No. RM2010-12, Proposal Seven. Proposal Seven introduced a mail flow based model of mail processing costs for USPS Marketing Mail Parcels and NFMs. This new model relied on methodological approaches similar to those embedded in the mail processing models for letters, flats and other parcels, and estimated mail processing unit costs for the machinable, irregular and NFM price categories. The Commission approved the Proposal Seven cost model in Order No. 658 (January 28, 2011).

The Postal Service proposed the addition of new mail processing cost pools in Docket No. RM2011-12, Proposal Five and Proposal Six. The Commission subsequently approved those proposals in Order No. 920 (October 21, 2011).

In January 2012, the Commercial machinable and irregular price categories were renamed “Lightweight Parcel Select” and were moved to the Parcel Select Competitive product. In addition, the NFM price categories were eliminated and new “marketing” parcel price categories were established in their place. These changes, however, did not necessitate that any methodological changes be made to the cost model because some Commercial NFMs still existed after the January changes and the Non-Profit machinable, irregular, and NFM / marketing price categories were identical to the price categories that existed prior to the January 2012 changes.

In Docket No. ACR2013, the USPS Marketing Mail parcels destination entry cost avoidance estimates that were calculated in USPS-FY13-13 increased significantly when compared to the cost avoidance estimates that were calculated in the previous fiscal year. In response to Chairman’s Information Request (ChIR) No. 11, question 1, the Postal Service indicated that the Commission-approved methodology may have proven to be less robust for smaller mail volumes. The Postal Service also indicated in its response that it would investigate using an alternative cost methodology. In Docket No. RM2014-6, Proposal Seven, the Postal Service proposed that a new mail characteristics profile should be created using the data in the USPS-FY13-12 USPS Marketing Mail parcels mail processing cost model and that these mail characteristics should be used to develop bottom-up cost avoidance estimates in USPS-FY13-13. The Commission subsequently approved Proposal Seven in Order No. 2180 (September 10, 2014).

In Docket No. RM2015-3, Proposal Ten, the Postal Service presented the results from a field study that had been conducted over a two and one-half year period and proposed that the new data be incorporated into several cost models, including the USPS Marketing Mail parcel mail processing cost model. The Commission subsequently approved Proposal Ten in Order No. 2315 (January 6, 2015).

The Postal Service presented a reorganization of the MODS, NDC, and NONMODS mail processing cost pools in Docket No. RM2018-10, Proposal Seven. The

Commission subsequently approved Proposal Seven in Order No. 4855 (October 12, 2018). The cost pools presented in the 'Cost Pool Data' worksheet (page 3) of the USPS-FY18-12 Marketing Mail mail processing cost model were modified to comply with the Order No. 4855 methodology.

Based on this recent activity, the Marketing Mail Parcel mail processing cost model (USPS-FY20-12) can be viewed as representing the operating conditions in the ACR fiscal year. Although the Postal Service views this Commission-approved model as an improvement over former versions of the model, it will continue to evolve as the network, price structure, and CRA reporting requirements change. In addition, the age of the cost model input data should ensure that the cost estimates are robust.

Marketing Mail and Periodicals Destination Entry Cost Avoidance Models

These models provide the destination entry cost avoidance estimates for Marketing Mail letters, flats, and parcels, and Periodicals. They rely on the Docket No. R2006-1 methodology and subsequent cost model modifications described in Docket No. ACR2007, USPS-FY07-13.

While the overall estimating methodology is the same as that relied upon in the earlier models, the USPS Marketing Mail analysis was expanded in Docket No. ACR2008 to estimate cost avoidances by shape (letters, flats, and parcels/NFMs). A shape-specific analysis was possible in that docket because the USPS Marketing Mail line items in the CRA report became available in more disaggregated form. In the 2008 ACD, however, the Commission continued to rely on the aggregate (all shapes combined) cost avoidance estimates and recommended that the Postal Service present the shape-specific analysis in a separate docket. A shape-specific analysis was subsequently presented in Docket No. RM2009-10, Proposal Thirteen. The Commission approved the Proposal Thirteen destination entry cost model in Order No. 339 (November 13, 2009).

As described above, the USPS Marketing Mail parcels destination entry cost avoidance estimates that were calculated in USPS-FY13-13 increased significantly when compared to the cost avoidance estimates that were calculated in the previous fiscal year. In response to ChIR No. 11, question 1, the Postal Service indicated that the Commission-approved methodology may have proven to be less robust for smaller mail volumes. The Postal Service also indicated in its response that it would investigate using an alternative cost methodology. In Docket No. RM2014-6, Proposal Seven, the Postal Service proposed that a new mail characteristics profile should be created using the data in the USPS-FY13-12 USPS Marketing Mail parcels mail processing cost model and that these mail characteristics should be used to develop bottom-up cost avoidance estimates in USPS-FY13-13. In addition, the Postal Service proposed that the analysis should be consolidated into one Excel workbook, an error in the analysis should be corrected, obsolete operations and input data should be removed from the cost model, and more recent productivity data should be incorporated into the cost

model. The Commission subsequently approved Proposal Seven in Order No. 2180 (September 10, 2014).

In Docket No. RM2015-3, Proposal Ten, the Postal Service presented the results from a field study that had been conducted over a two and one-half year period and proposed that the new data be incorporated into several cost models, including the USPS Marketing Mail destination entry cost model. The Commission subsequently approved Proposal Ten in Order No. 2315 (January 6, 2015).

Based on this recent activity, the destination entry cost models (USPS-FY20-13) can be viewed as representing the operating conditions in the ACR fiscal year. The age of some cost model input data, however, is a concern. The Postal Service will investigate whether it is possible to update some of the older input data in these cost models.

Media Mail – Library Mail – Mail Processing Cost Model

The Media Mail - Library Mail mail processing cost model presented in the earlier ACR dockets relied on the Docket No. R2006-1 methodology to develop total mail processing unit cost estimates by price category. After the 2009 ACR was filed, the Commission issued Chairman's Information Request No. 1 on January 22, 2010. Question 18 of that request noted that there were instances where the Media Mail – Library Mail model referenced the former Single-Piece Parcel Post split between Intra-NDC and Inter-NDC. Because the Single-Piece Parcel Post distinction between Intra-NDC and Inter-NDC no longer existed, the models used the FY 2008 Intra-NDC/Inter-NDC volume split as a proxy. The Commission requested the rationale for continuing to use the FY 2008 disaggregation, and asked if this methodology would continue in the future models. On February 2, 2010, the Postal Service responded by indicating that the FY 2008 data were used as proxies because no other data were available, but that the methodology and the availability of alternative cost model input data would be evaluated.

In Docket No. RM2011-5, Proposal Twelve, the Postal Service presented alternative data inputs to the Media Mail - Library Mail mail processing cost model. Upon further review, the Postal Service determined that the best estimate of the Parcel Post single-piece Intra-NDC volume percentage was obtained by dividing the sum of the volumes for zones 1, 2, and 3, by the total volume. In FY 2008, the last year Intra-NDC Parcel Post volume data were available separately from Inter-NDC data, nearly 96 percent of the Intra-NDC mail volume was found in zones 1, 2, and 3, indicating that the percentage of mail volume represented by those zones would be a good approximation for the Intra-NDC volume percentage. The Postal Service therefore proposed that this estimate be calculated annually from the Parcel Post (now Retail Ground) volume, cubic feet, and weight data and incorporated into future versions of the Media Mail - Library Mail mail processing cost model. The Commission approved Proposal Twelve in Order No. 724 (May 4, 2011).

The Postal Service proposed the addition of new mail processing cost pools in Docket No. RM2011-12, Proposal Five and Proposal Six. The Commission subsequently approved those proposals in Order No. 920 (October 21, 2011).

In Docket No. RM2012-1, Proposal Thirteen, the Postal Service presented a new Media Mail – Library Mail mail processing cost model that relied on the Docket No. RM2010-12, Proposal Seven, methodology. The Commission approved Proposal Thirteen in Order No. 1153 (January 20, 2012).

In Docket No. RM2015-3, Proposal Ten, the Postal Service presented the results from a field study that had been conducted over a two and one-half year period and proposed that the new data be incorporated into several cost models, including the Media Mail – Library Mail mail processing cost model. The Commission subsequently approved Proposal Ten in Order No. 2315 (January 6, 2015).

The Postal Service presented a reorganization of the MODS, NDC, and NONMODS mail processing cost pools in Docket No. RM2018-10, Proposal Seven. The Commission subsequently approved Proposal Seven in Order No. 4855 (October 12, 2018). The cost pools presented in the 'Cost Pool Data' worksheet (page 2) of the USPS-FY18-15 Media Mail – Library Mail mail processing cost model were modified to comply with the Order No. 4855 methodology.

Based on this recent activity, the Media Mail – Library Mail mail processing cost model (USPS-FY20-15) can be viewed as representing the operating conditions in place during in the ACR fiscal year. In addition, the age of the cost model input data should ensure that the cost estimates are robust. Although the Postal Service views this Commission-approved model as an improvement over former versions of the model, it will continue to evolve as the network, price structure, and CRA reporting requirements change.

Bound Printed Matter (BPM) Mail Processing and Transportation Cost Models

The BPM mail processing cost model continues to rely on the Docket No. R2006-1 methodology. The BPM transportation cost model presented in the earliest ACR dockets also relied on the Docket No. R2006-1 methodology, with one exception. Prior to the 2008 ACR, the BPM CRA line item was separated into two line items, one for BPM flats and one for BPM parcels. Since that time, separate transportation cost estimates have been developed for BPM flats and BPM parcels, as well as BPM as a whole (flats and parcels in aggregate).

After the 2009 ACR was filed, the Commission issued ChIR No. 1 on January 22, 2010. Question 18 of that request noted that there were instances where the BPM model referenced the former Single-Piece Parcel Post split between Intra-NDC and Inter-NDC. Because the Single-Piece Parcel Post distinction between Intra-NDC and Inter-NDC no longer existed, the models used the FY 2008 Intra-NDC/Inter-NDC volume split as a proxy. The Commission requested the rationale for continuing to use the FY 2008

disaggregation, and asked if this methodology would continue in the future models. On February 2, 2010, the Postal Service responded by indicating that the FY 2008 data were used as proxies because no other data were available, but that the methodology and the availability of alternative cost model input data would be evaluated.

In Docket No. RM2011-5, Proposal Twelve the Postal Service recommended alternative data inputs. Upon further review, the Postal Service determined that even though the Parcel Post single-piece transportation cost model was no longer presented in ACRs, the cost segment 14 data that were used to calculate the zone-related percentages were still available. It was proposed that these data, now for Retail Ground, be used to estimate the zone-related percentages in future versions of the BPM transportation cost model. The Commission approved the Proposal Twelve cost model in Order No. 724 (May 4, 2011).

The BPM mail processing cost model (USPS-FY20-15) and transportation cost model (USPS-FY20-16) can be viewed as representing the operating conditions in the ACR fiscal year. The age of some cost model input data, however, is a concern. The Postal Service will investigate the extent to which it is possible to update the BPM mail processing and transportation cost models using more recent input data. Although the Postal Service views these Commission-approved models as an improvement over former versions of the models, they will continue to evolve as the network, price structure, and CRA reporting requirements change.

Bulk Parcel Return Service (BPRS) Cost Model

The BPRS cost model presented in the earlier ACR dockets relied on the Docket No. R2006-1 methodology. After the 2009 ACR was filed, the Commission issued ChIR No. 1 on January 22, 2010. Question 18 of that request noted that there were instances where the BPRS cost model referenced the former Single-Piece Parcel Post split between Intra-NDC and Inter-NDC. Because the Single-Piece Parcel Post distinction between Intra-NDC and Inter-NDC no longer existed, the model used the FY 2008 Intra-NDC/Inter-NDC volume split as a proxy. The Commission requested the rationale for continuing to use the FY 2008 disaggregation, and asked if this methodology would continue in the future models. On February 2, 2010, the Postal Service responded by indicating that the FY 2008 data were used as proxies because no other data were available, but that the methodology and the availability of alternative cost model input data would be evaluated.

In Docket No. RM2011-5, Proposal Twelve, the Postal Service proposed alternative data inputs to the BPRS cost model. BPRS parcels, by definition, are returned USPS Marketing Mail machinable parcels. The Postal Service therefore proposed that data from the USPS Marketing Mail destination entry cost model be used to estimate the BPRS transportation and delivery costs. The Commission approved Proposal Twelve changes in Order No. 724 (May 4, 2011).

The BPRS cost model (USPS-FY20-16) can be viewed as representing the operating conditions in the ACR fiscal year. The age of some cost model input data, however, is a concern. The Postal Service will investigate the extent to which some parcel input data, which have been collected during more recent field studies, can be incorporated into the BPRS cost model. Although the Postal Service views this Commission-approved model as an improvement over former versions of the model, it will continue to evolve as the network, price structure, and CRA reporting requirements change.

Business Reply Mail (BRM) Cost Model

In previous dockets, the Commission has not always filed its own version of the BRM cost model. The official version of the cost model presented in earlier ACR dockets therefore relied on the same methodology presented by the Postal Service in Docket No. R2006-1.

In Docket No. RM2012-2, Proposal Twenty, the Postal Service presented a BRM cost model that relied on new data collected during the summer of 2011. These data were used to develop more accurate fee cost estimates. In Proposal Twenty, the Postal Service also addressed concerns the Commission has expressed in the past with the measurement of the qualified business reply mail (QBRM) worksharing related savings estimate that is also contained in the model.

The Commission approved the use of the new data in Order No. 1383 (June 26, 2012). Order No. 1383, however, dictated that the scope of the QBRM analysis should be expanded to include some manual costs. In addition, the Commission instructed the Postal Service to further refine the QBRM analysis to incorporate the processing steps that low volume recipients incur. Given that the Postal Service explained why a more narrowly defined analysis was appropriate in Proposal Twenty, regardless of the specific volume a mailer receives, it is unclear exactly what the Commission expects to see in future BRM proposals. Regardless, the Postal Service will attempt to investigate alternative QBRM methodologies.

Based on this recent activity, the BRM cost model (USPS-FY20-21) can be viewed as representing the operating conditions in place during the ACR fiscal year. In addition, the age of the cost model input data should ensure that the cost estimates are robust.

Parcel Select / Parcel Return Service Mail Processing and Transportation Cost Models

The Parcel Post (now Retail Ground) / Parcel Select / Parcel Return Service mail processing and transportation cost models presented in the earlier ACR dockets relied on the Docket No. R2006-1 methodology in which the cost estimates were derived from one set of costs. As the Commission discussed in Order No. 118 (October 22, 2008) and Order No. 156 (December 23, 2008), the Postal Service is now able to provide separate and distinct mail processing and transportation cost data for Retail Ground, Parcel Select, and Parcel Return Service mail. In Docket No. RM2010-5, Proposal

Twenty-Eight, the Postal Service proposed to eliminate the Retail Ground mail processing and transportation cost models, as they were no longer necessary to support the existing price structure. The Commission approved Proposal Twenty-Eight in Order No. 394 (January 21, 2010).

In Docket No. RM2009-10, Proposal Fourteen, the Postal Service presented new mail processing and transportation cost models that could be used to estimate costs for the Parcel Select and Parcel Return Service price categories. While the mail processing and transportation cost estimates for Parcel Select and Parcel Return Service were derived from separate and distinct cost data, they were contained in one mail processing cost model and one transportation cost model, respectively. The Commission approved Proposal Fourteen in Order No. 339 (November 13, 2009).

In Docket No. RM2011-6, Proposal Thirteen, the Postal Service presented a new Parcel Select / Parcel Return Service mail processing cost model that relied on the Docket No. RM2010-12, Proposal Seven methodology. The Commission approved Proposal Thirteen in Order No. 719 (April 28, 2011).

In Docket No. RM2011-6, Proposal Fourteen, the Postal Service proposed that the Parcel Select / Parcel Return Service transportation cost model should be modified in the following ways: (1) the transportation cost estimates should only be presented for the current price categories, (2) the transportation legs for the non-destination entry price categories should be estimated using PostalOne! Data, (3) the official revenue, pieces and weight (RPW) volumes should be incorporated into the analysis, (4) the Parcel Return Service transportation costs should be distributed using the same method that is relied upon to distribute Parcel Select transportation costs, and (5) a new methodology should be incorporated to estimate the return network distribution center (RNDC) cubic foot miles by zone. The Commission approved Proposal Fourteen in Order No. 719 (April 28, 2011).

The Postal Service proposed the addition of new mail processing cost pools in Docket No. RM2011-12, Proposals Five and Six. The Commission subsequently approved those proposals in Order No. 920 (October 21, 2011).

In January 2012, the Commercial machinable and irregular price categories were renamed "Lightweight Parcel Select" and were moved to the Parcel Select Competitive product. In Docket No. RM2012-8, Proposal Eight, the Postal Service presented a revised Parcel Select / Parcel Return Service mail processing cost model into which the Lightweight Parcel Select price categories had been incorporated. The Commission subsequently approved Proposal Eight in Order No. 1567 (December 6, 2012). Given that Parcel Select is zoned and Lightweight Parcel Select is not zoned, the Lightweight Parcel Select price categories were not incorporated into the transportation cost model. It was therefore not necessary to file any related proposals at the Commission. Instead, the Parcel Select transportation costs are estimated using cost segment data that represents Parcel Select only and excludes Lightweight Parcel Select costs.

In Docket No. RM2015-3, Proposal Ten, the Postal Service presented the results from a field study that had been conducted over a two and one-half year period and proposed that the new data be incorporated into several cost models, including the Parcel Select / Parcel Return Service mail processing cost model. The Commission subsequently approved Proposal Ten in Order No. 2315 (January 6, 2015).

In Docket No. RM2017-10, Proposal Six, the Postal Service presented modified versions of both the mail processing and transportation cost models. The mail processing cost model was modified to: (1) correct errors found in the model, (2) incorporate updated data into the analysis, (3) remove data related to discontinued price categories, (4) introduce Full Network cost models into the analysis, and (5) include additional Ground cost models into the analysis. The transportation cost model was modified to: (1) correct errors found in the model, (2) incorporate new and updated data into the analysis, (3) remove data related to discontinued price categories, (4) introduce Full Network transportation costs into the analysis, and (5) distribute the DNDC intermediate transportation costs using cubic feet rather than cubic foot miles. The Commission subsequently approved Proposal Six in Order No. 4228 (November 20, 2017).

The Postal Service presented a reorganization of the MODS, NDC, and NONMODS mail processing cost pools in Docket No. RM2018-10, Proposal Seven. The Commission subsequently approved Proposal Seven in Order No. 4855 (October 12, 2018). The cost pools presented in the 'Cost Pool Data' worksheet (page 2) of the USPS-FY18-NP15 Parcel Select / PRS mail processing cost model were modified to comply with the Order No. 4855 methodology.

In Docket No. RM2019-14, Proposal Eight, the Postal Service presented modified versions of both the mail processing and transportation cost models. The proposed mail processing model included a new mail flow for machinable DSCF 3-digit presort parcels that was designed to cover negotiated service agreements (NSA). In addition, Parcel Return Service data that were collected during a 2018 field study were incorporated into the cost model. The proposed transportation cost model included cost estimates for Parcel Select Lightweight (PSLW) mail pieces. Previously, the model did not contain any PSLW cost estimates. The Commission approved Proposal Eight in Order No. 5299 (November 12, 2019).

Based on this recent activity, the Parcel Select / Parcel Return Service mail processing cost model (USPS-FY20-NP15) and transportation cost model (USPS-FY20-NP16) can be viewed as representing the operating conditions in the ACR fiscal year. In addition, the age of the cost model input data should ensure that the cost estimates are robust. Although the Postal Service views this Commission-approved model as an improvement over former versions of the model, it will continue to evolve as the network, price structure, and CRA reporting requirements change.